WORLD AGRICULTURAL Situation

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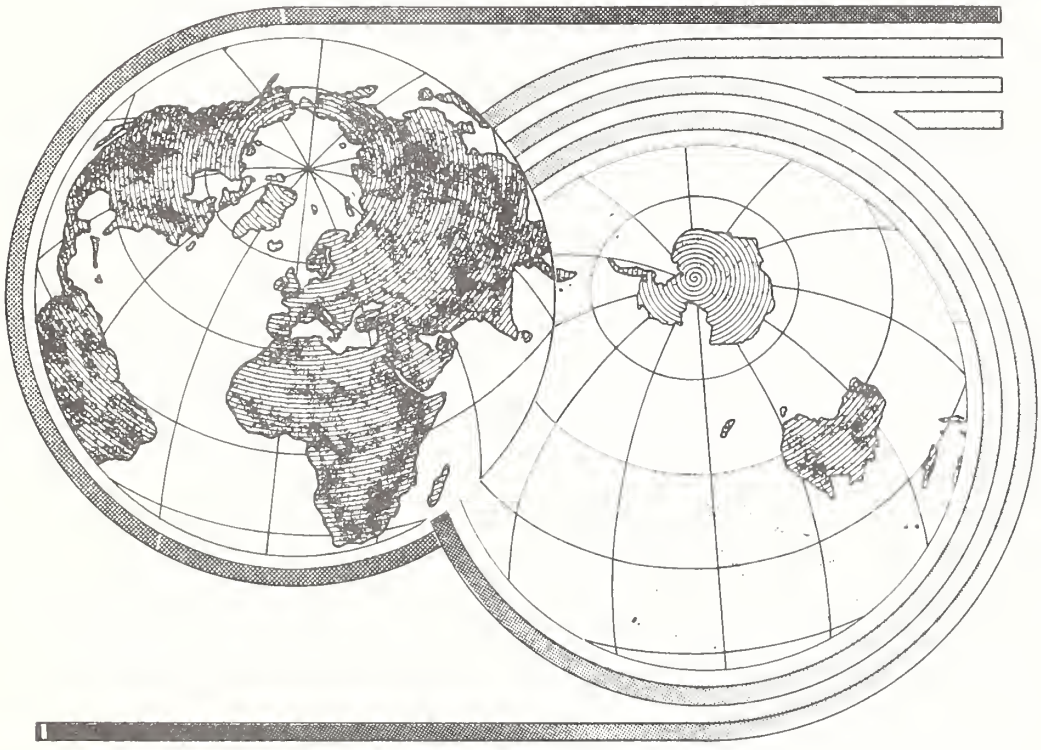
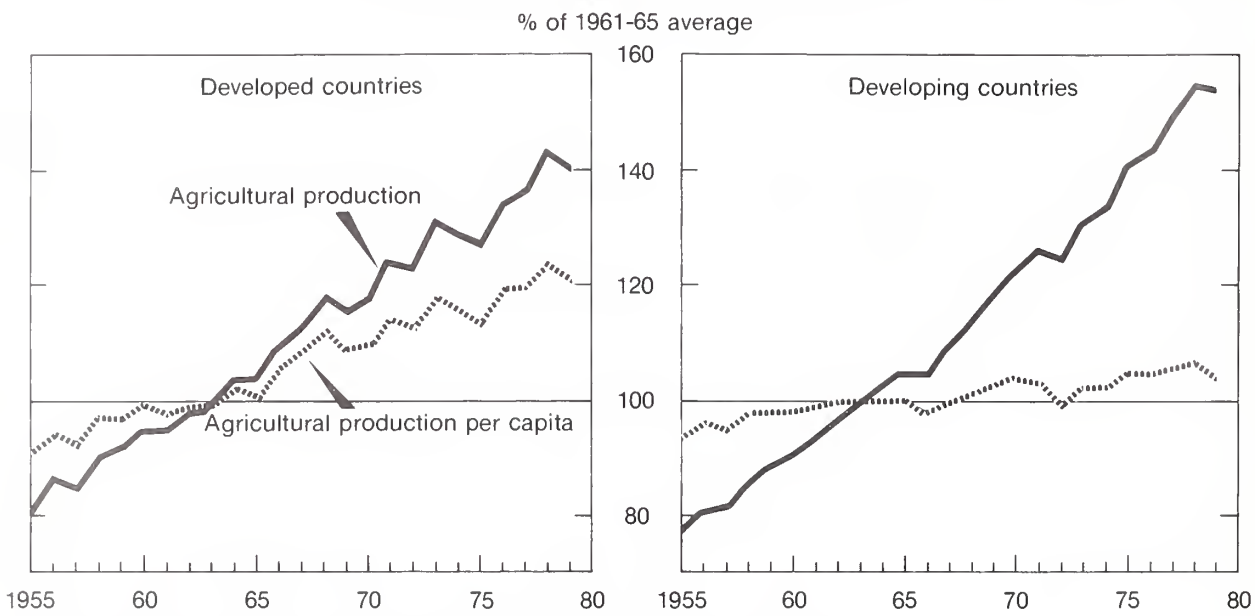


APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD

ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

Changes in Agricultural Production



Developed countries include United States, Canada, Europe, USSR, Japan, Republic of South Africa, Australia and New Zealand.
Developing countries include South and Central America, Africa (except Republic of South Africa), Asia (except Japan, Communist Asia).

THE WORLD AGRICULTURAL SITUATION

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SUMMARY

For the first time in 7 years, world agricultural output declined in 1979. Global output of agricultural commodities this year—excluding the People's Republic of China (PRC)—dropped about 2 percent from 1978, according to preliminary USDA estimates of world agricultural and food production indices (table 1).[1]

Production in the developed countries, including the USSR and Eastern Europe, fell about 2.7 percent in 1979, while output in the developing countries declined nearly 1 percent. Agricultural output fell in all major industralized countries, except in the United States. The USSR's reduced grain crop cut their overall agricultural production by 12 percent in 1979. U.S. Agricultural production was up around 5 percent. Among the developing countries, output increases in East Asia, Latin America, and Pakistan offset declines in India and West Asia.

Total 1979 global food production declined nearly 2.5 percent. The output of developed countries dropped approximately 3 percent while production in the developing countries fell 1 percent. Per capita food production decreased about 3.5 percent. On a per capita basis, the 1979 declines in food output were nearly the same in both the developed and developing countries. Population continues to grow by about 2.5 percent annually in the developing countries while increasing less than 1 percent in the developed countries.

Economic activity worldwide in 1980 is expected to slacken. Growth in major developed countries may slow to around 2 percent with higher inflation and unemployment likely. This slowdown in the developed countries may influence the developing countries. Rising oil prices and general inflation will be major factors impacting global economic activity.

[1]Revised indices of agricultural and food production for individual regions and countries—including the detailed commodity production data used to construct the indices—are published in April and May for Africa, Asia, Europe, and Latin America by the Economics, Statistics, and Cooperative Service.

NOTE: Fiscal 1980 means October 1979/September 1980. Tons are metric and dollars are U.S. unless otherwise specified.

Table 1--Selected indices of world agricultural and food production (excluding China), 1961-65 = 100

Country and region	Total agricultural production						Total food production						Per capita food production					
	1974	1975	1976	1977	1978	1979*	1974	1975	1976	1977	1978	1979*	1974	1975	1976	1977	1978	1979*
Developed countries	129	128	134	137	144	140	131	130	137	139	147	142	118	116	121	123	128	123
United States	117	126	129	136	136	143	122	134	137	143	144	152	109	118	120	124	125	130
Canada	112	127	138	143	146	137	112	128	143	144	148	138	94	106	116	117	118	108
Western Europe	128	125	123	128	136	134	128	125	123	129	136	134	119	115	113	117	124	122
European Community	125	121	118	127	133	132	125	121	118	127	133	132	116	112	109	117	122	121
Eastern Europe	140	137	144	144	149	147	140	137	144	145	150	148	130	128	133	132	136	132
USSR	145	130	153	149	163	144	144	128	153	148	163	142	128	113	133	128	141	121
Japan	110	115	109	118	117	116	111	115	109	118	117	116	97	100	94	101	98	96
Oceania	119	125	124	122	135	129	127	137	138	134	152	142	105	112	111	106	119	110
Republic of South Africa	146	134	135	146	150	142	154	141	143	152	157	148	114	102	100	105	106	98
Developing countries	134	141	144	150	155	154	135	145	149	154	159	158	103	107	108	109	110	106
East Asia	149	156	165	168	171	176	147	155	164	167	170	175	112	116	120	119	119	120
Indonesia	138	140	145	146	157	153	140	142	144	149	161	156	108	107	107	107	114	107
Philippines	146	161	172	173	175	180	147	163	173	175	177	183	107	116	120	118	117	118
Republic of Korea	144	158	170	176	170	187	141	155	167	170	165	181	109	118	125	125	119	129
Thailand	156	162	167	168	181	180	157	167	174	170	182	180	114	118	120	115	121	117
South Asia	124	138	135	147	154	144	124	140	137	150	157	146	97	107	103	110	113	103
Bangladesh	110	122	114	126	125	123	114	128	118	130	127	124	87	95	85	91	87	83
India	122	139	135	147	156	143	122	140	136	149	158	144	96	108	103	111	115	103
Pakistan	162	155	165	184	178	192	164	161	177	193	190	200	119	114	121	128	123	126
West Asia	144	154	169	166	171	167	141	154	168	166	171	168	104	110	117	112	113	108
Iran	160	179	192	190	199	192	160	183	197	192	203	197	116	129	135	127	130	123
Turkey	136	150	163	164	164	159	131	149	160	161	162	158	99	110	116	114	112	106
Africa	125	128	129	128	131	131	125	130	132	129	133	132	95	96	95	90	91	88
Egypt	118	119	120	118	123	126	125	131	132	129	132	136	95	98	97	92	93	93
Ethiopia	111	107	104	100	95	98	109	100	97	92	88	91	84	75	71	65	61	61
Nigeria	119	121	123	125	126	125	119	122	124	126	127	126	90	89	88	87	85	82
Latin America	138	142	145	152	157	161	145	151	158	163	168	173	108	110	111	112	112	113
Mexico	143	151	148	153	159	162	150	169	165	166	175	180	103	112	105	102	104	103
Argentina	122	123	133	134	149	152	126	127	138	138	155	158	109	108	116	115	127	128
Brazil	150	153	158	170	166	176	164	168	185	193	186	197	121	120	130	131	123	127
World	131	132	138	142	148	145	132	135	141	144	151	147	113	113	117	118	122	118

*Preliminary.

World grain production for 1979/80 (wheat, coarse grains, and milled rice) totaled 1.39 billion tons, 4 percent below the previous year. As a result of record carryin stocks, supplies this marketing year will be down less than 2 percent from 1978/79. World consumption is likely to hold near last year's record level. To maintain consumption will require a 32-million-ton drawdown in global stocks to 195 million tons and a 10 percent increase in world grain trade. Virtually all the increased trade will be with the Soviet Union.

World production of protein meals, fats, and oils in 1979/80 is expected to continue increasing. U.S. soybean production was up 20 percent in 1979. The South American crop, which will be harvested in early 1980, is currently forecast to increase sharply from the last 2 year's drought-reduced levels.

Beef and veal production in major producing countries has declined in recent years and will probably continue to decrease in 1980. However, larger pork and poultry production will continue to offset this decline. Global milk production has continued upward this year, although a sharp drop in USSR's output limited the overall 1979 gain. World milk output in 1980 will continue to exceed use, and dairy surpluses are expected to remain in major producing nations.

World cotton production will be up 7 percent in 1979/80 to a record 64.2 million bales. Slowing gains in consumption will probably lead to a stock buildup of around 0.8 million bales.

Sugar output worldwide is expected to decrease this year. Rising consumption will contribute to reduced stocks and stronger prices. Coffee output in 1979/80 is up somewhat, but consumption is rising and stocks may be reduced during the year. The freeze earlier this year in Brazil is having little impact on 1979/80 production; it may, however, reduce 1980/81's potential crop.

Limited supplies and transportation difficulties in some exporting countries will probably result in the United States providing much of the increased grain trade for 1979/80. The U.S. share of world grain exports is expected to increase from 53 percent last year to 58 percent. The United States will remain the only major supplier of soybeans and meal in the world until March 1980, when new-crop Southern Hemisphere soybeans and products reach the market.

These factors indicate another strong export year for U.S. agriculture. Exports of farm products in fiscal 1980 are expected to reach about $38 billion, up a fifth from a year ago. Although price increases will account for some of the gain, export volume is likely to increase 15 percent. Agricultural exports in fiscal 1980 could total between $35 and $40 billion, depending on weather, demand conditions, and transportation developments.

U.S. agricultural exports to Iran have virtually ceased. Given the situation in that country, the International Longshoreman's Union has refused to load ships detined for Iran. In recent years, Iran has purchased from the United States roughly 25 percent of its total agricultural imports, including the bulk of its grains, oil meals, and vegetable oils. However, some imports from the United States slowed this summer as a result of Iran's efforts to diversity its supplies. Iran's wheat and rice supplies may be sufficient for tne near term, but any slowing or stopping of imported vegetable oils, feed grains, and soymeal would have an immediate effect. The loss of imported feed grains and meals would adversely impact Iran's poultry industry.

WORLD ECONOMIC CONDITIONS

Economic Growth To Slow

Rising oil prices, increasing inflation, higher interest rates, and sluggish consumer demand have reduced economic growth expectations for 1980 in most countries of the world. However, the consensus among economic forecasters is that there will not be a recession in most developed countries in 1980, except perhaps in the United States and the United Kingdom.

The U.S. economy will likely show little or no real economic growth in 1980, following a 2-percent increase estimated for this year. A mild downturn in real GNP in the first half of 1980 is expected, with a slow recovery through the rest of the year. For the United Kingdom, half of the forecasters expect economic activity to decline in 1980, despite the contribution of North Sea oil to economic growth. The North Sea oil will make the United Kingdom self-sufficient by mid-1980, and the strength of the pound on foreign exchange markets has allowed an improvement in terms of trade. However, U.K. goods are less competitive, resulting in a loss in export markets and a rise in imports. Productivity growth has slowed in recent years and was further limited by strikes early in 1979. Growth in manufacturing production has been below that of total GDP in the last 3 years and is forecast to remain low in the first half of 1980.

Japan is expected to have the highest economic growth rates for both 1979 and 1980 among the major developed countries, although next year's growth will likely slow. The average forecast of economic growth for all of 1980 is 3.7 percent, down almost 2 percentage points from 1979.

Average of economic forecasts[1]

Country	Real GNP growth		Increase in consumer prices		Unemployment rate	
	1979	1980	1979	1980	1979	1980
	Percent					
United States[2]	1.5	0.6	10.6	9.2	6.1	7.2
Japan	5.4	3.7	5.3	7.2	2.2	2.3
West Germany	3.9	2.6	4.3	4.3	3.8	4.1
United Kingdom	.9	.5	13.5	13.8	5.6	6.6
Canada	3.2	2.6	9.1	8.4	8.0	8.3
France	3.0	2.3	10.5	10.2	6.4	6.9
Italy	3.7	2.1	15.1	14.5	7.3	7.6

[1] A total of 208 official and private forecasts for each variable were used. 1979 figures are average estimates and 1980 figures are average projections. [2] Many U.S. forecasters now indicate little or no real growth in 1980.

Source: Euromoney Magazine, October 1979.

Imported oil accounts for over 70 percent of Japan's total energy consumption. Higher oil costs and tighter monetary policies will restrain growth and depress Japan's previous trade and payments surpluses. The continuing fall in the value of the yen against the dollar during 1979 has helped export competitiveness, but it has also increased the cost of imports. Overall balance of payments forecasts range from a small surplus to a deficit in 1979, compared with the $16.5 billion surplus in 1978. The health of other developed economies is the key to Japan's export growth. Domestic demand growth is expected to be restrained in 1980, to a rate below 1979.

West Germany and Canada are both expected to grow by 2.6 percent in 1980 on the basis of a variety of official and private forecasts. Expectations are for a reduction in West Germany's large trade and current account surpluses as imports continue to rise at a faster rate than exports. In West Germany, as in other countries, several factors which were responsible for growth in 1979 will be missing in 1980—income tax reductions, incentives for stockbuilding, and accelerating growth abroad. Growth in domestic consumption—both private and government, fixed investment, and inventories in 1980 will be less than in 1979. In Canada, exports will be adversely affected by the U.S. economic slowdown. Though Canada's trade should remain in surplus, the level will contract and a continuation of Canada's deficit on current account is expected in the first half of 1980.

Overall economic growth rates in most of the other developed countries are expected to be around 2 percent in 1980, down sharply from expected 1979 levels. Forecasters are expecting declines of 1.6 and 0.7 percentage points, respectively, in the 1980 growth rates for Italy and France.

In general, the economic problems facing developed countries include tighter money supplies, higher interest rates, still troublesome inflation rates, sluggish consumer demand, and uncertainty about oil availability and price movements. Other unfavorable indicators include a quarterly decline in GNP for the United States, United Kingdom, and Italy in either the first and/or second quarter of 1980, and declines in retail sales and fixed investment for more than half of the 7 major developed countries in 1979. Interest rates in all national markets have risen steadily in 1979 (table 2). The weighted average of five leading national markets was almost 11 percent in October, up from 7.8 percent in January. In West Germany, interest rates more than doubled in the first nine months of 1979. The October base Eurocurrency market rate was at 14.6 percent.

Inflation is expected to remain at high levels in the developed countries in 1979 and 1980, though slight declines in the rise in consumer prices are expected for some countries. Japan has been experiencing increasing price pressures in 1979. For OECD countries as a group, consumer prices are expected to rise by 8.5 percent in the first half of 1980, compared with 7.7 percent in the first half of 1979 and 9 percent forecast for the second half of 1979. At present, official actions taken by most developed country governments are aimed at curtailing inflation. Tight money and depressed consumer and government demand levels may reduce inflation rates, but steadily rising oil prices and the effect of higher interest rates will be pushing consumer prices up. Italy, the United Kingdom, and France had inflation rates above U.S. rates in the first half of 1979. Through the first half of 1979, consumer prices rose steadily and unemployment rates remained fairly constant at a weighted 4.2 percent for all the major developed countries. However, unemployment rates are expected to rise somewhat in most major developed countries.

Most forecasts assume moderate oil price rises in 1980, a pick-up in the U.S. economy around mid-1980, and moderate wage increases in the developed countries. Deviation from these assumptions, especially regarding higher oil prices, could cause even lower growth rates for next year in the developed countries.

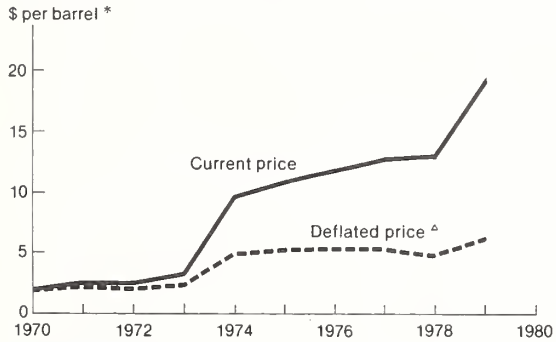
Growth in Developing Countries Also To Slacken

The developing countries as a group are also expected to experience a slowdown in overall economic growth rates in 1980. Any slowdown in the developed countries will have a spill over impact on developing countries. While growth in 1979 is expected to be around 5 percent in the developing countries, roughly the same as in 1978, it is likely to be below 5 percent in 1980. For the non-OPEC developing countries, growth in 1980 is forecast to

drop below 5 percent, compared with 5.5 percent in 1978 and an estimated 5.2 percent in 1979. If Mexico is excluded from the category of non-OPEC developing countries, then the growth rate for the rest may dip another half percentage point to 4.5 percent in 1980. In contrast, the OPEC countries will probably experience higher growth as oil revenues increase sharply. In 1978 and 1979, estimated economic growth rates for non-OPEC countries exceeded those for OPEC countries combined. However, this is expected to turn around in 1980. The size of the oil price increases so far in 1979 assure the OPEC countries of much higher export earnings and a substantial increase in their combined current account surplus in 1979. This increase is assured despite oil export disruptions from Iran and any reduction in demand for oil imports in the developed countries.

In many of the non-OPEC developing countries, expectations of economic growth in 1979 have been revised downward because of exogenous factors, such as the rise in oil prices and slowed growth in the developed countries, and country-specific factors such as austerity measures to combat inflation, declines in world export prices for commodities (cocoa, tea), poor domestic agricultural, mineral or manufacturing production, and political instability (Nicaragua, Uganda). Overall economic growth rates are expected to be highest in the East Asian and Latin American regions and lowest in the Near Eastern and African regions.

World Crude Petroleum Prices



* Weighted average price
Δ Deflated using IMF Unit Import Value Index, 1970 = 100.

USDA Neg. ESCS 203-79(12)

In addition to the sharp rise in trade and current account deficits forecast for the non-OPEC developing countries is the projected minimum of $33 billion in debt service payments due in 1979. In the first half of 1979, commercial Eurocurrency borrowings equalled almost $16 billion.

The South Korean economy is experiencing a rising trade deficit; other negative indicators include a large growth in imports, a slowdown in export growth, continuing inflation, deceleration of production increases, and a deteriorating balance of payments. For the first 9 months of 1979, their current account was in deficit by $3 billion and wholesale and consumer price indices rose by 17 to 18 percent over a year earlier. The general economic leading indicator in mid-September was at its lowest level since 1975. Economic growth for 1979 is expected to be around 9 percent, down from 12.5 percent in 1978.

Brazil is also expected to see a large increase in its trade deficit to perhaps $2 billion in 1979 as oil accounted for over one-third of total imports in the first half of the year. Inflation rates are quite high—at an annual rate of 45 percent in mid-1979. Overall real economic growth is expected to fall to around 5 percent in 1979 from 6.3 percent in 1978. In contrast, Mexico's growth rate may rise from less than 7 percent last year to 8 percent in 1979 as oil revenues expand. Petroleum exports in the first half of 1979 were more than double year-earlier levels.

World Trade To Slow

The volume of growth in total world trade is expected to slacken in 1980. For the OECD area, 1979 exports are rising 5.7 percent in volume, while imports are expanding 6 percent. For the first half of 1980, export growth is forecast at 6 percent over the last half of 1979 while imports may increase 5 percent. The rise in export prices is also expected to slow—growing at 6.5 percent in the first half of 1980, and import prices are also expected to rise at a slower rate. Since OECD forecasts assume only limited future oil price rises, world trade next year could well be under the levels forecast by OECD. Import prices have risen more sharply in Japan than elsewhere with an 86-percent increase (at an annual rate) between June and September 1979. By the end of September, Japan's current account deficit for the nine months cumulated to $6.2 billion. Through August, Germany's deficit was $2.2 billion, compared with a surplus of $3.5 billion for the same period of 1978.

Exchange rate movements have been large in recent months due to increases in interest rates, rising oil prices and high, but fluctuating, gold prices. By early November, several of the OPEC members had posted oil prices exceeding the previously agreed ceiling price of $23.50 per barrel. Spot rates of double the ceiling price have been reported. The U.S. dollar has continued to appreciate against the Japanese yen and by November the dollar was worth 24 percent more yen than in January this year (table 3). The Canadian dollar has continued to depreciate against the U.S. dollar. The dollar also strengthened against the pound in October and early November. However, the dollar is still weak against the mark and the guilder relative to the first half of 1979.

In late September, the bilateral intervention rates within the European Monetary System (EMS) were realigned to reflect the strength of the German mark. That currency was revalued by 5 percent against the Danish krone and 2 percent against the other 6 participating currencies. The United Kingdom, which is the only EC member not in the EMS, removed all foreign exchange restrictions except those applying to Rhodesia.

The cost of U.S. dollars to foreign markets has continued to rise slowly since July for all agricultural exports (table 4). From October 1978 to October 1979, the cost of dollars index rose 8 percent. The increase has been most dramatic for wheat, however, with a 12-month rise of 21 percent and a 6-percent increase from July to October 1979. The index for soybeans has been fairly steady, reflecting opposite movements of the dollar against the yen and major European currencies. (*Eileen M. Manfredi*, 202-447-7590).

AGRICULTURAL COMMODITY PRICES

Prices Strengthen

In November, international prices for wheat, corn, sorghum, beef, coffee, sugar, rice and rubber were all higher than a year earlier. Cocoa beans and soybeans were priced lower.

The U.S. Gulf ports wheat price reached $4.97 per bushel in November despite this year's large U.S. harvest. Major causes of rising international wheat prices are crop shortfalls in the USSR, Eastern Europe, Western Europe, Canada, and Australia.

International Commodity Prices

Commodity	Nov. 1977	Nov. 1978	May 1979	Nov. 1979
Export:				
Wheat ($/bu.)[1]	3.12	3.84	3.98	4.97
Corn ($/bu.)[1]	2.47	2.59	2.93	3.07
Soybeans ($/bu.)[1]	6.14	6.97	7.63	6.95
Rice ($/M.T.)[2]	294	315	318	[6]364
Cotton (cts./lb.)[3]	55.5	79.8	72.7	[6]76.0
Import:				
Coffee ($/lb.)[4]	1.90	1.50	1.50	2.06
Sugar (cts./lb.)[4]	10.4	14.2	14.3	16.9
Cow meat ($/lb.)[5]	.67	1.10	1.36	[6]1.37

[1] f.o.b. vessel, Gulf ports. [2] f.o.b. Bangkok. [3] c.i.f. Osaka [4] N.Y. spot [5] f.o.b. port of entry [6] Preliminary.

Corn prices have remained high at $3.07 per bushel (U.S. Gulf ports) because of heavy domestic and export demand, particularly from the Soviet Union. Coarse grain production outside the United States is expected to decline in 1979/80, with lower output reported in Canada, Australia, Western Europe and Argentina, as well as the USSR.

In contrast, the U.S. Gulf ports price for soybeans declined to $6.95 per bushel by November after a year of extremely high prices resulting from strong domestic and export demand. While the market is currently quite bearish, news of India's increased need for vegetable oils resulting from that country's crop shortfalls could buoy U.S. export prices for soybean oil.

The Osaka price for cotton—at 75 cents per pound—is about the same as a year earlier. U.S. production is up a third from last year, but crops in China and India are down.

Among U.S. import commodities, international beef prices have again begun to rise since beef production is still down in many regions. International sugar prices have begun to strengthen since the 1979/80 world sugar crop is expected to be 4 percent lower than last year, and world sugar stocks are likely to decline. In contrast, cocoa bean prices have declined from $1.80 per pound in November 1978 to $1.31 this November because of increased production. Coffee prices continue to be maintained at $2.00 per pound despite the increased 1979/80 output, as increased consumption and reduced stocks buoy prices.

The interplay of international price developments with domestic and foreign farm-level and consumer level prices is illustrated in tables 5 and 6.

Export and Import Prices Follow Suit

After some lag, export and import unit values for most commodities have moved in the same direction as international price and U.S. farm price quotations (table 7).

The average price of all U.S. exports in the third quarter was 17 percent higher than a year earlier. Among major commodities, export values of milled rice were lower, contrary to the upturn in rice prices at the farm level which occurred in the third quarter. The overall import unit value index was also 17 percent higher than a year ago reflecting the sharp upturn in prices for most major imported commodities.

Exchange rate shifts have had an impact on how foreign importers perceive prices of U.S. agricultural products after U.S. prices are converted to those countries' currencies. From October 1978 to October 1979, the dollar appreciated in relation to the Indonesian rupiah, the Japanese yen, the Brazilian cruzeiro, Israeli pound, Portuguese escudo and Egyptian pound. On the other hand, the dollar

had depreciated against the Dutch guilder, West German mark, Spanish peseta, and U.K. pound.

In countries where the dollar has depreciated, like West Germany, import prices in the countries' currency have increased only slightly, or even declined, despite the higher export prices. However, the depreciation of the dollar may be partially offset in EC member countries for commodities subject to the variable levies, since the levies would generally change to offset the decline in the value of the dollar. When the EC variable levy was also included, the effective U.K., West German, and Dutch import prices rose about 5 percent for wheat and 1 percent for corn from October 1978 to October 1979. In countries where the dollar has appreciated, the country currency prices for those commodities have increased even faster than export prices in U.S. dollars. Because many of these countries are also less developed, their balance-of-payments problems also include being subjected to even higher import prices than the U.S. dollar price would indicate.

U.S. Farm Prices Higher

During the third quarter of 1979, prices received by U.S. farmers were 12 percent higher than a year ago, with crop and livestock prices making equal gains.

Beef, eggs, milk, wheat, corn, rice, and soybeans were priced higher at the farm level than a year earlier, while prices of pork, broilers, and potatoes were lower.

In October, farm prices for wheat and corn were close to the high levels reached in the third quarter, while soybean prices dropped moderately with the new harvest. After adjusting for inflation using the Consumer Price Index, wheat prices have still increased. However, real corn prices hit their peak in July and are now lower than a year ago, and real soybean prices have slipped back to their 1971/72 levels (table 8).

Consumer Food Prices Also Up

Retail food prices in the United States rose 10 percent from a year earlier in the third quarter of 1979, as higher farm and import prices and increased marketing charges were transmitted through the marketing system. U.S. food prices earlier this year were outpacing food price inflation in many other countries (tables 9 and 10). U.S. consumers, however, continue to spend a smaller share of their income on food than do consumers in almost all other countries.

From 1970 and 1979, the increase in food prices outstripped general inflation in nearly three-fourths of the countries listed in table 9, indicating an overall tightening of food supplies in recent years, coupled with expanding marketing costs. (*H. Christine Collins*, 202-447-8646).

WORLD FERTILIZER DEVELOPMENTS

Adequate Fertilizer Production Potential Expected

Production capabilities of the world's fertilizer industries should be able to meet anticipated demand for plant nutrients through 1983/84, according to recent forecasts by the FAO/UNIDO/World Bank Fertilizer Working Group (table 11). By then, world fertilizer consumption is forecast to reach 138 million tons of nutrients, nearly 40 percent more than in 1977/78.

Growing surplus production capacity is indicated for nitrogen during the next 5 years. However, this surplus could be eliminated if ammonia plants in Europe and Asia dependent on naphtha and other petroleum derivatives are forced to close due to excessive feedstock costs (see October 1979 *World Agricultural Situation*). For phosphates and potash, production potential is expected to exceed consumption over the next 5 years, but the size of the surplus will likely diminish.

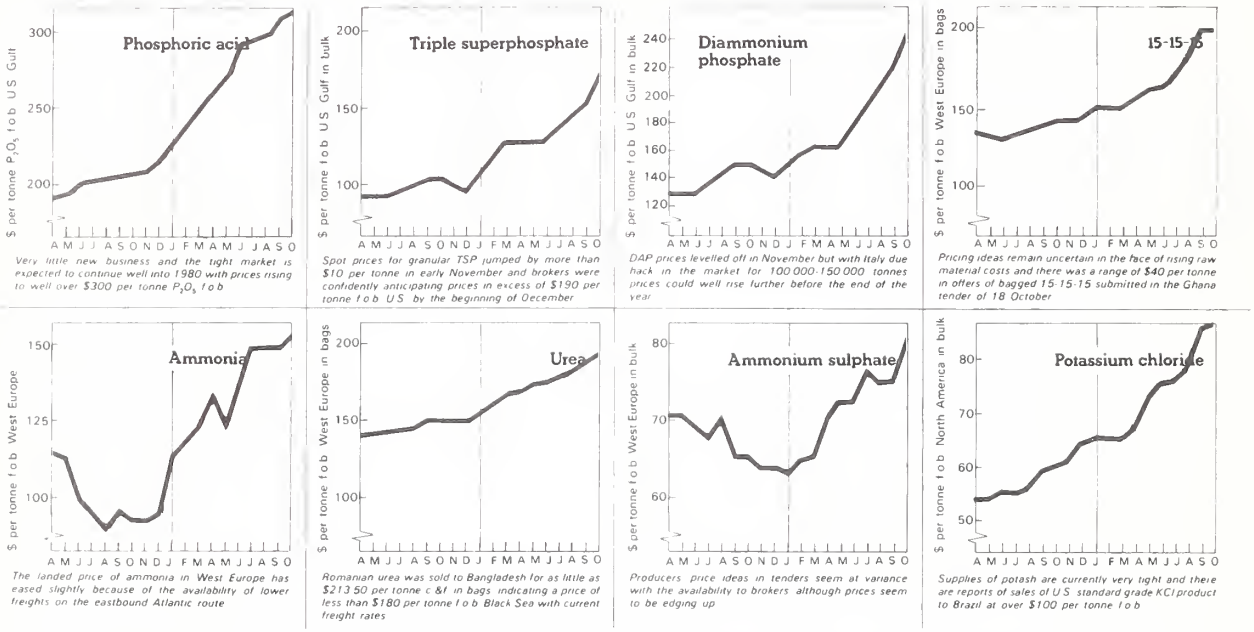
Fertilizer Prices Rise Rapidly

In recent months, international spot prices of fertilizers and fertilizer materials have steadily increased. North American spot prices—which are indicative of world price trends, but higher than contract prices—have continued to climb. From early January to early December this year, urea prices increased 29 percent while ammonia prices rose 59 percent. Canadian potassium chloride prices were 73 percent higher. Phosphate products also showed strong increases, with phosphoric acid rising by 30 percent and concentrated superphosphate up 91 percent.

Most fertilizer prices will continue increasing into the 1980 crop planting season since world demand remains strong. Inventories are being drawn down, and higher production costs, especially for energy, are being passed through to consumers. Temporary supply and distribution bottlenecks have added to the upward price pressures.

If fertilizer prices continue rising at rates equal to or greater than those of 1979, farmer resistance may result and expected consumption increases may not materialize. This is particularly true in North America where sharp increases in other input costs, especially fuel and credit, may erode farm income levels.

Recent International Price Trends for Principal Fertilizers, 1978-79



Source: British Sulfur Corporation, Fertilizer International, No. 126, December 1979, p.2.

USDA Neg. ESCS 3153-79(12)

World Fertilizer Markets Interdependent: DAP Case

The diammonium phosphate (DAP) price situation illustrates the complexity and interdependence of the world fertilizer market. DAP is the most popular source of phosphate fertilizer due to its high analysis and "bonus" nitrogen content (18 percent N, 46 percent P205). Highly concentrated nutrient levels are increasingly desirable as shipping costs surge. Worldwide demand for DAP in 1978/79 was very strong with U.S. consumption up 16 percent and U.S. exports up 28 percent. Exports of DAP from the United States, the world's most important supplier, continued strong during the first quarter of 1979/80. U.S. DAP production facilities were operated near capacity and production in early 1979/80 was up slightly from year-earlier levels. As a result of continued strong demand and only slightly larger production, September 1979 ending inventories of U.S.-made DAP were 36 percent lower than a year earlier.

Costs of raw materials, specifically sulfur and ammonia, rose rapidly in 1979, partly because of high energy consumption in the production process. Strong worldwide demand allowed the pass through of those increased costs, and DAP prices in early December were up 70 percent from early January. (For additional information, see the *1980 Fertilizer Situation*, FS-10, December 1979) (*Richard Rortvedt*, National Economics Division, 202-447-7340).

U.S. AGRICULTURAL TRADE

The rapid expansion in agricultural trade is expected to continue in fiscal 1980. Exports will likely increase a fifth to about $38 billion, while agricultural imports may rise about 8 percent to $17.5 billion (table 12). Thus, the agricultural trade surplus could widen to around $20 billion.

Export Tonnage May Jump 15 Percent

Total export tonnage in fiscal 1980 may approach 160 million tons (table 13). Grain shipments are expected to increase about 18 million tons, accounting for four-fifths of the anticipated growth. Larger export volume is also likely for soybeans, protein meal, and cotton.

Export unit values for grains, especially wheat, are expected to average significantly higher in fiscal 1980. On the other hand, lower unit values are anticipated for soybeans, protein meal, and fats and oils.

Uncertainty surrounds the outlook for fiscal 1980 exports, and the value could total between $35 and $40 billion. The outcome will hinge on supply and demand developments in coming months, expecially for spring-harvested crops, and on world economic conditions. Transportation capacity in the United States and some of our major markets will also be a factor in achieving the record export volume now being forecast for this fiscal year.

U.S. agricultural exports to the centrally planned countries are expected to increase around 50 percent to over $7 billion. Exports to the developing countries are expected to increase a fourth over fiscal 1979's $10.3 billion. Exports to the developed countries are likely to increase about 6 percent in value. Developed countries are expected to take less than half of U.S. farm product exports in fiscal 1980, compared with an average of 58 percent in the 1970's.

Among commodities, feed grain exports are expected to increase a fifth in volume, with the USSR likely to account for about half the rise. Expanded shipments are also anticipated to Eastern Europe, the EC, Africa, the Middle East, and the developing countries of East and Southeast Asia.

U.S. exports of wheat and flour probably will reach a record 38 million tons in fiscal 1980, with most of the increase going to the USSR, Eastern Europe, and North Africa. Shipments to Japan and China may decline slightly because of expanding production in those countries.

With a 20-percent increase in the U.S. crop, soybean exports are forecast to rise 11 percent in fiscal 1980. World demand for high-protein feed continues to expand, and lower soybean prices should favor feeding of meal over grain. The level of shipments will depend in part on the outcome of the upcoming South American soybean crops, the bulk of which will be harvested in March and April of 1980.

Substantial gains are expected for soybean shipments to non-EC Western Europe and the developing countries of East and Southeast Asia because of rapid growth in their livestock industries. Strong gains are likely to the USSR and Eastern Europe because of expanding livestock production and poor oilseed crops. Only small increases are expected to the EC and Japan.

Import Volume and Prices Rise

Agricultural imports are expected to reach about $17.5 billion in fiscal 1980, up from $16.2 billion a year earlier. Although coffee import volume may decline about 4 percent, rising prices could push the value of coffee imports from $4.0 to $4.3 billion. Import volume of cocoa beans and products is expected to increase about 5 percent, but the export value may decline. Meat import volume is expected to increase slightly, and unit values will likely average higher. Sugar imports are expected to increase substantially in both value and volume. (*Sally Breedlove Byrne*, 202-447-8261)

WORLD COMMODITY DEVELOPMENTS

Grains

World Grain Supply Down Slightly in 1979/80

The 1979/80 world grain crop (including milled rice) is estimated 63 million tons, or 4 percent, below the 1978/79 record crop but still the second largest ever (table 14). Because of record-large carryin stocks, the total supply of grain is down less than 2 percent. Production declined in most regions except the United States and China, with the biggest drop in the Soviet Union.

Although harvested area will be up slightly, coarse grain production outside the United States is expected to decline about 5 percent from 1978/79 (table 15). The USSR harvested its smallest crop since 1975, and the Canadian coarse grain crop was down 8 percent to its smallest level since 1974. Output declines are also likely in Australia, Western Europe, and Argentina. In Eastern Europe, 3 percent more area was devoted to coarse grains this year, and after 4 years of stable harvests, output increased slightly.

World grain supply, use, and trade[1]

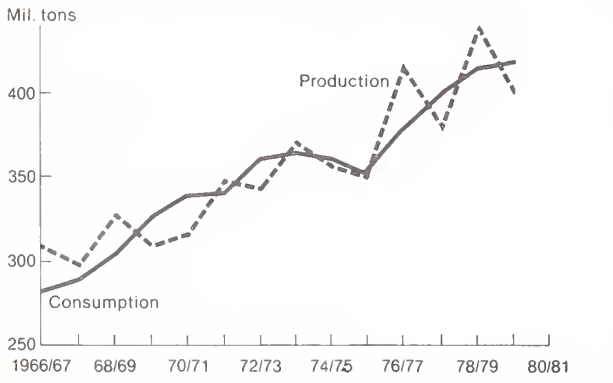
Item	1976/77	1977/78	Estimated 1978/79	Forecast 1979/80
	Million tons			
Production	1,362	1,337	1,451	1,388
Trade	157	166	173	193
Consumption	1,306	1,339	1,415	1,420
Ending stocks	193	191	227	195

[1] Includes wheat, coarse grains, and milled rice.

Wheat production outside the United States will likely drop 11 percent in 1979/80, with harvested area practically unchanged (table 16). The world wheat crop is estimated at 403 million tons, down from the 1978/79 record of 439 million and below the previous record 415 million harvested in 1976/77. Production is estimated down almost 30 percent in the USSR, and significant declines also are anticipated in Eastern Europe, Canada, Australia, and Western Europe. Output is estimated up 17 percent in the United States.

With reduced area and yields, world rice production is estimated to be down 4 percent (table 17). Most of the decline is due to the drop in Indian production from 81 million tons in 1978/79 to 62 million (rough basis) this year, and lower production is also likely in Burma, Indonesia, Thailand, and Japan. Output gains are forecast for China, Brazil, Vietnam, and Bangladesh.

World Production and Consumption of Wheat



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World Grain Trade Up Sharply

World grain trade is expected to increase a tenth over the 1978/79 record, mostly because of expanded Soviet imports. USSR grain imports are forecast at 34 million tons, up from about 16 million in 1978/79 and the previous high of 26 million in 1975/76.

With plentiful grain supplies, the United States will provide the bulk of the increase in world trade. Canadian and Australian exports will be limited by transportation problems, and Argentine supplies are down.

World wheat trade in 1979/80 is expected to increase about 12 percent over a year ago. Soviet imports may more than double, and East European imports are expected to rise over 50 percent from the reduced 1978/79 level. Shipments to North Africa and the Middle East are expected to expand by over 2 million tons, and strong increases are also anticipated to Bangladesh, Vietnam, and Brazil. On the other hand, China will likely reduce its imports by a tenth because of greatly improved production.

The United States and Australia are the only major exporters likely to expand wheat shipments in 1979/80. The U.S. share of world wheat trade is estimated at 48 percent this year, compared with an average of 44 percent over the previous 5 years.

Following an 8-percent rise in 1978/79, coarse grain trade worldwide is expected to expand about 13 percent in 1979/80. Soviet imports may increase from 10 million tons to about 21.5 million this year. Large import increases are also anticipated for Mexico, South Korea, Egypt, and Malaysia, while West European and Japanese imports are expected to increase slightly. In contrast, Brazil and China will likely reduce coarse grain imports.

Canadian and Australian coarse grain exports are expected to recover from the low levels of the past 2 years. However, shipments by most other exporters are likely to decline, with Argentine exports down almost 2 million tons. The U.S. share of world coarse grain trade is forecast at 70 percent, up from 64 percent in 1978/79.

World rice trade may decline about 3 percent in calendar 1980. Imports by Middle East countries (except Iran) are likely to expand significantly, but sharply lower imports are expected for Bangladesh, Nigeria, South Korea, Brazil, and Malaysia. Indonesia imports are expected to increase. Among the major rice exporters, Thai exports are forecast at about 2.7 million tons, close to 1979 levels, and Chinese, Pakistani, and Indian exports are expected to decline. However, U.S. and Burmese exports may increase.

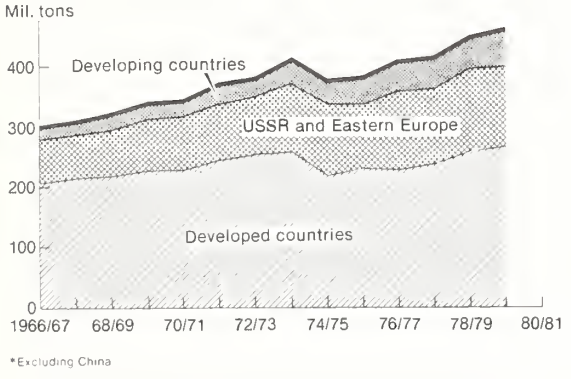
Utilization Likely To Hold Steady

World grain utilization this season is expected to total near the 1978/79 high. Anticipated reductions in use in South Asia, Eastern Europe, and the USSR will likely be offset by increases elsewhere. Largest gains are expected in East Asia, Japan, Latin America, and China.

Total coarse grain use is expected to remain close to the 1978/79 level. After increasing a tenth in 1978/79, feed use may expand only marginally. Feed use is expected to rise about 4 percent in Japan and 3 percent in the United States and Eastern Europe. A smaller increase is expected in Western Europe because the expansion in livestock feeding is slowing. Feed use of coarse grains in

East and Southeast Asia may expand 13 percent, following an estimated 29 percent gain in 1978/79. In the USSR, coarse grain feeding may not match the year-earlier high because of expanded use of wheat for feed.

Feed Use of Coarse Grains*



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World wheat use may increase about 2 percent in 1979/80. Utilization will likely expand about 7 percent in China and 5 percent in the USSR. Smaller gains are expected in North Africa, Japan, Latin America, and Western Europe. These increases will be partly offset by the significant reductions anticipated in consumption in Eastern Europe, South Asia, and the United States. World feed use of wheat may increase about 5 percent because of the strong growth anticipated in the Soviet Union.

Because of the 7-percent decline expected in India, world rice utilization may decline marginally. Increased use is anticipated in most other areas. Japan may consume 4 percent more rice; Indonesia, 3 percent; and China and East Asia, 2 percent.

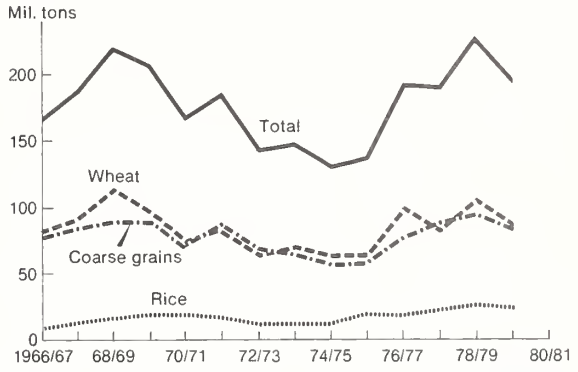
Stocks Being Pulled Down

World grain stocks may decline by more than 30 million tons in 1979/80 to about 195 million tons by the end of the year. Soviet stocks are expected to fall by around 16 million tons. Reductions are also forecast in Eastern and Western Europe, the United States, and India. Stocks may rise in Japan and Australia.

Wheat stocks will probably drop almost a fifth. Carryover stocks are forecast at 20 percent of utilization, compared with 25 percent in 1978/79 and 18 percent in the mid-1970's. The U.S. share of world stocks is likely to remain below one-fourth.

Coarse grain stocks may decline a tenth this season. As a share of use, stocks are expected to decline slightly to 12 percent. U.S. carryover stocks this year may increase slightly, and the U.S. share of world stocks will jump to well over one-half.

World Grain Carryover Stocks



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World rice carryover stocks are expected to decline about 14 percent in 1979/80. As a share of utilization, stocks are expected to decline from 10.7 percent to around 9.3 percent,still well above usual levels. (*Sally Breedlove Byrne*, 202-447-8261)

Meals and Oils

Record Supplies Again Likely

World production of protein meals (44 percent soymeal equivalent) and total fats and oils for 1979/80 is expected to again reach record levels.[1] Large increases in U.S. production of soybeans, cottonseed, and sunflowerseed will account for over 60 percent of the anticipated increase in world production of protein meals. Canadian rapeseed output is expected to approximate 1978/79's high levels again this season. Brazil's soybeans are likely to recover from the drought of the past two years and this year's crop—which will be harvested in March-April 1980—may be up nearly 30 percent over last year. Area planted this year is reported up 4 percent. Argentine soybean production is expected to continue its rapid expansion, and output may be up almost a fifth this year. Expected decreases in production are few and include small reductions in the rapeseed crops of Europe and a decline in the Indian peanut crop.

For 1979/80, expected record output will bring protein meal production 16 percent above the 1965-79

[1]The split year refers to slightly different periods for production and stocks and for trade. For example, for 1978/79 production of meals and oils, oilseed crops harvested in the fall of 1978 and the spring of 1979 are combined with 1979 calendar-year out-put of products of coconut, plam, and fish. Stock changes and U.S. trade relate to the U.S. marketing year, from October 1978 to September 1979 for meal and oil and from September 1978 to August 1979 for soybeans. All trade other than of the U.S. is for the 1979 calendar year. Of necessity, consumption estimates are computed from production and trade figures referring to different periods.

trend and fats and oils 7 percent above trade. In 1978/79, production of protein meals and fats and oils were 6 percent and 3 percent, respectively, above 1965-79 trends.

Selected northern hemisphere oilseed crops

	Estimated 1978/79	Forecast 1979/80	Change
	Million tons		*Pct.*
U.S. soybeans	50.9	60.8	19
U.S. sunflowers	1.8	3.7	106
U.S. cottonseed	3.8	5.1	34
U.S.S.R. sunflowers	5.3	5.3	0
Canadian rapeseed	3.5	3.5	0
Indian peanuts	6.3	5.7	-10
Senegalese peanuts	1.1	1.2	9

Selected southern hemisphere oilseed crops and continuous production crops

	Estimated 1978/79	Forecast 1979/80	Change
	Million tons		*Pct.*
Brazilian soybeans	10.5	13.5	29
Argentine soybeans	3.8	4.5	18
Malay palm oil	2.1	2.4	14

World total production

	Estimated 1978/79	Forecast 1979/80	Change
	Million tons		*Pct.*
High protein meals	85.2	96.5	13
Total fats and oils	55.1	59.2	7
Edible vegetable oils	37.8	41.6	10

Protein Meal Use to Continue Rising; Prices May Weaken in 1979/80

Protein meal output in 1979/80 is likely to rise faster than demand, causing world meal equivalent stocks (mainly U.S. soybeans) to increase considerably. This is expected to create downward pressure on prices which are expected to average below 1978/79 levels. The 1979/80 average U.S. farm price for soybeans may range 4 to 15 percent below year-earlier levels, following price gains in 1978/79 (table 18). At the same time, grain prices are expected to be up in 1979/80. Consequently, apparent world consumption of protein meal is expected to increase again in 1979/80—perhaps by 8 percent. This follows 1978/79 increases of 9 percent for protein meal use and 8 percent for vegetable oils from the previous year. World import demand for soybeans and soymeal in 1979/80 may be up 5 percent in major feed demand markets.

Although traditional markets will continue to grow, the strongest expansion in protein meal use will probably be in the developing and centrally planned countries. The USSR has bought 280,000 tons of soymeal so far this year, and further purchases are likely. These are the first significant purchases of protein meal by the USSR. Continued slow economic growth in the developed countries may restrain demand for livestock products. In the EC, which uses almost a fourth of the world's protein meal, only a small increase in the livestock base is expected in 1979/80, as they enter the contracting phase of their hog cycle. Because of decreased supplies, the EC's program of subsidizing the use of nonfat dry milk in hog and poultry feeds has been suspended and is likely to remain so through the remainder of the marketing year.

Expanding world production of pork and poultry, as well as increased feeding rates, have boosted world demand for protein meals. Although apparent world consumption rose significantly in 1978/79, gains in protein meal use were limited by several factors, including the decreased EC feeding of manioc (a low-protein grain substitute that requires increased utilization of protein meals) due to reduced availabilities and less favorable livestock-feed price relationships in the EC. Nonetheless, reduced feeding margins in the EC, which were most severe for pork and eggs, did not halt the increase in hog numbers, and pork production is expected to increase to a cyclical peak in early 1980. An important factor supporting the increased 1978/79 demand for protein meals was the long cold winter and late spring in Europe, which caused increased demand for compound feeds for dairy cattle.

Meal and oil production, consumption and stocks

	1977/78	Estimated 1978/79	Forecast 1979/80
		Million tons	
World production meals	79.7	85.2	96.5
Change world meal stocks(market yr.)	+1.8	+.3	+4.9
Apparent world meal consumption	77.9	84.9	91.6
World production edible vegetable oils	35.4	37.8	41.6
Change world oil stocks (market yr.)	+.7	+.3	+1.4
Apparent world vegetable oil consumption	34.7	37.5	40.2

U.S. Soybean Exports To Hit Fourth Straight Record

Export demand for U.S. soybeans and products continued strong until the summer of 1979, although decreasing slightly thereafter. Marketing year 1979/80 exports of soybeans and soymeal will likely continue rising, although vegetable oil exports may decline. U.S. exports of soybeans are estimated at 22.5 million tons, up 10 percent from

1978/79, and soymeal exports may total 6.4 million, 6 percent above a year earlier. Vegetable oil exports, forecast at 1 million tons in 1979/80, will likely be down 6 percent. The 1979 Brazilian production shortfall will again shift U.S. disappearance towards the first half of 1979/80. South American supplies of soybeans and soymeal have been largely depleted, leaving the United States the only supplier through March of 1980 when South American beans become generally available. Increasing oilseed crushing capacity in the importing countries, as well as Brazil, could shift exports more toward oilseeds. (*Linda M. Bailey and Gene R. Hasha*, 202-447-9160).

Livestock and Poultry

Beef Supplies Decline

Beef and veal output in principal producing countries of the world has declined during the past several years and is expected to show another small drop in 1980. However, expansion in pork and poultry output has been offsetting and will again next year.

Beef and veal is the largest single component of total meat production (excluding fish) in most of the developed regions of the world. However, since the mid-1970's, there has been a fairly substantial liquidation of beef cattle herds. As a result, beef and veal production declined in 1978 and will drop farther in 1979. The reduced beef and veal production caused world cattle prices to increase in 1978 and 1979. Producers in most regions have ceased liquidation of their herds in response to the higher prices. Several countries, including the United States, USSR, Canada, and Brazil, are expected to show increased inventories of cattle at the beginning of 1980. Cattle numbers in Western Europe, New Zealand, Eastern Europe, and Argentina will remain fairly even with 1979's beginning inventories. However, some other producing regions, such as Australia, will continue to show a decline in beef cattle numbers.

A buildup in cattle numbers during next year means fewer cows will be slaughtered in 1980 and more heifers will be held for breeding purposes. Thus, beef and veal output will decline in 1980 in many regions. However, it also means that beef and veal production will be entering an expansion phase beginning in 1981.

Pork and Poultry Output To Rise, But At Slower Pace

While cattle numbers have declined since the mid-1970's, there has been a sharp expansion in hog numbers. Numbers will continue to show a fairly sharp increase in most regions on January 1, 1980. Eastern Europe and the EC are expected to have fairly stable numbers. The sharp expansion in hog numbers during the last several years has increased pork production to the point where producer prices have began to be adversely affected in many regions. Higher beginning-1980 inventories will insure larger pork production in the first half of next year, but a further drop in producer prices would substantially slow the expansion in the latter part of 1980. This is especially true for the United States, Canada, and Japan. Also, some of the centrally planned countries have decided to slow their expansion in pork production.

Poultry production has also expanded sharply in most regions since the mid-1970's. However, increased poultry production, combined with expanded pork supplies, has resulted in lower producer prices for poultry in many countries this year. With continued larger pork supplies, poultry production in the United States and Canada will show little, if any, increase in 1980. Most of the other regions of the world will show considerably less expansion in poultry output in 1980 than has occurred in the past several years. (*Gerald R. Rector*, 202-447-8260).

Dairy

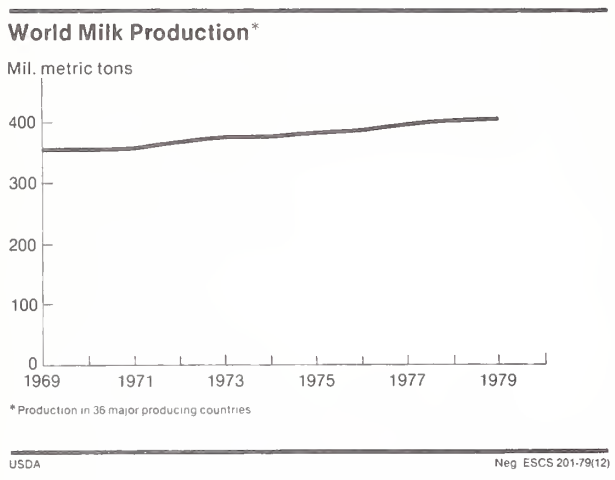
World milk production in 1980 will continue to exceed use, and worldwide surpluses of milk and dairy products will likely remain in major producing nations. U.S. production is expected to rise while commercial use may hold steady. The EC will be faced with excessive butter stocks. On the other hand, USSR milk production may be further reduced, and production in Australia will probably be down 4-5 percent in their 1979/80 marketing year.

With cheese consumption expected to continue strong, more milk will likely move into cheese production next year, particularly in the EC and Japan, relative to butter manufacture.

World Milk Production Continues to Expand

Milk production this year in 36 major producing countries of the world is expected to total around 404 million tons, up about 0.6 percent from 1978 levels (table 19). This year's increase is less than previously expected because of the likely 3-percent drop in milk production in the USSR, the world's largest milk producing country. Poor quality grain from 1978 crops, lower 1979 grain output, and drought-reduced roughage supplies are depressing milk output per cow this year, although milk cow numbers are at record levels in the USSR.

Milk production in countries outside the USSR is rising 1.7 percent in 1979. Oceania's output was up almost a tenth in their 1978/79 marketing year,



rebounding from the drought-reduced level of the previous year. Production in the EC will probably be up some 1.9 percent this year, although less than 1978's 3.5-percent growth. Despite ongoing programs to encourage dairy producers to convert to beef production, cows in milk should increase by almost 1 percent this year. The EC has frozen the target price for milk and intervention prices for milk products in the 1979/80 marketing year in an attempt to curb milk output gains. Production in other West European countries will likely also rise about 2 percent in 1979. Japan's milk production will be up over 5 percent this year, following a 7-percent increase in 1978.

Total milk output in these 36 countries, which mainly represent the developed countries of the world, has increased steadily over the past decade, registering a 14 percent rise in the 1969-79 period. Improved breeding, feeding, and management, increased supplies of protein meals, expanding demand due to higher incomes, rising producer milk prices in recent years, and government support programs in most developed countries have encouraged increased milk output in many countries of the world.

Butter Stocks Building; NFDM Holdings Down

Butter production continues to expand in 1979, maintaing the pattern of annual increases since 1975. Stocks worldwide may reach 980,000 tons at the end of this year, up about 300,000 tons in the past 2 years. Most of this rise will occur in the EC, where production will be up 2½ percent this year, following an 8-percent rise in 1978.

World stocks of *nonfat dry milk* (NFDM) have been dramatically reduced since 1975. Ending 1979 stocks are expected to total 748,000 tons, compared with the 1976 record of 2 million. The EC, which holds about 39 percent of world stocks, is largely responsible for the decrease by its domestic subsidy program which made nonfat dry milk feeding to hogs, poultry, and calves competitive with other protein sources such as soybean meal. This program for feeding nonfat dry milk to hogs and poultry was discontinued on October 22.

Cheese consumption continues to rise in most countries. World production of cheese is likely to rise around 3.3 percent in 1979, but consumption will likely be up 2.6 percent and world trade may rise 3.7 percent. (*Robert R. Miller*, 202-447-8289)

Cotton

World Production Larger

World cotton production in 1979/80 is forecast at 64.2 million bales, 7 percent above last season's 59.8 million (table 20). U.S. production, estimated at 14.5 million bales, is up about 34 percent from 1978/79's 10.9 million and accounts for much of the world increase. Foreign production in 1979/80 may be up slightly because reduced production in some countries like China, Nicaragua and India will partially offset increases in Pakistan, USSR and Egypt. Harvested area increased 5 percent in the United States, while declining 1 percent in foreign countries—yields were up in both areas.

Cotton production and consumption

Year	Production		Consumption	
	World	Foreign	World	Foreign
	Mil. 480-lb. bales			
1975/76	54.0	45.7	61.2	53.9
1976/77	57.4	46.8	60.9	54.2
1977/78	63.9	49.5	61.2	54.7
1978/79[1]	59.8	48.9	62.8	56.4
1979/80[2]	64.2	49.7	63.5	57.2

[1] Estimated. [2] Forecast.

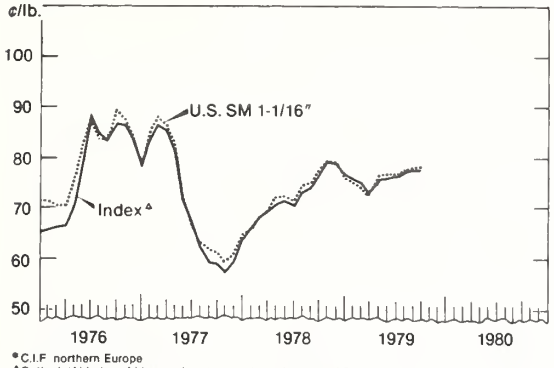
World cotton consumption in 1979/80 will likely continue to expand, but at a lesser rate than last season due to slower world economic growth. World consumption may rise to about 63 million bales. While U.S. consumption is forecast to decline slightly to 6.3 million bales, foreign use may increase about 1 percent, although that is less than last year's 3-percent increase. World stocks may increase about 0.8 million bales. U.S. stocks will be significantly higher, but foreign stocks could be down slightly.

The outlook "A" Index (average of the 5 lowest-price of 10 selected growths, c.i.f. Northern Europe) stood at 81.5 cents per pound in early December, reflecting a fairly steady increase since the 1979 monthly low of 73.5 cents in April.

U.S. Exports To Rise

U.S. cotton exports are projected at 7 million bales, up significantly from earlier estimates and 13 percent above last season (table 21). U.S.

Cotton Prices*



*C.I.F. northern Europe
△Outlook 'A' Index of Liverpool cotton services. Average of 5 lowest priced of 10 selected growths

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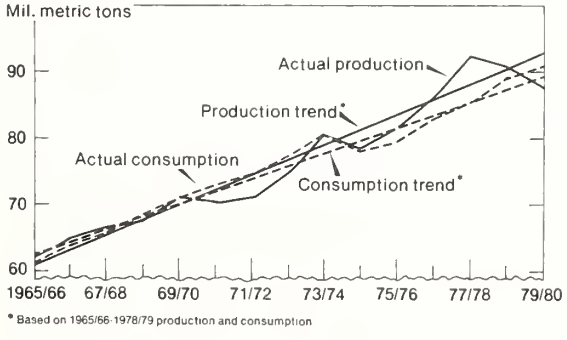
exports plus outstanding sales may reach 8 to 8.5 million bales during 1979/80. However, 1 to 1.5 million bales of this cotton likely will not be exported till early next season due partly to the strain which current strong export movement is placing on transportation and warehouse facilities. The higher export estimate reflects stronger foreign mill consumption, sharply higher import demand from the PRC, and low foreign carryin stocks. (*David B. Young*, 202-447-8915).

Sugar

World Sugar Prices Turn Up As Production Falls

World sugar production in 1979/80 is estimated at 87.7 million tons (raw value—rv), about 4 percent below last season and 9 percent less than the 1977/78 record. Output of beet sugar (about two-fifths of the global total) will likely decline 1 million tons, while cane sugar production could fall 2 million.

World Production and Consumption of Sugar



* Based on 1965/66-1978/79 production and consumption

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World sugar consumption is forecast at 91 million tons (rv), nearly 2 percent larger than in 1978/79 and over 3 million in excess of estimated production. Accordingly, stocks will be declining to about 29 million tons by the end of the 1979/80 season. This would be the first reduction in world sugar stocks in the last 7 years.

As the 1979/80 world output shortfall became increasingly apparent, sugar prices strengthened. The International Sugar Agreement (ISA) world sugar price climbed to a monthly average of 13.7 cents a pound (rv) in November, up from 11.9 cents in October and 8.7 cents in August. The ISA price surpassed 15 cents a pound in early December. Prices have not been this high since early 1976. Other factors in the price run-up have been the market attraction for commodities relative to currencies in general, and uncertainty about market policies in major sugar exporting countries in which most of world sugar stocks are concentrated.

Large declines in sugar production this year occurred in the Americas, Europe, USSR, and Asia (table 22). U.S. output is down about 260,000 tons as a result of factory closings and reduced sugarbeet acreage. Cuba's half-million-ton decrease is attributable to poor weather and the extended 1978/79 harvest, for the most part. In Brazil, output is about 800,000 tons less than in 1978/79, partly because of low prices at planting but also to help keep within ISA export limits.

Total Europe (Western and Eastern) had a net production drop of close to 300,000 tons. USSR's estimated output of 8.5 million tons would be a half million below last season, and well below the 1979 official target of 9.7 million, primarily because of unfavorable weather.

India's centrifugal sugar output in 1979/80 may be down 800,000 tons because of drought, low farm prices for sugar relative to other crops, and a greater percentage of the sugarcane crop being diverted to the production of gur (non-centrifugal sugar). A drop of over a half million tons is seen for Thailand as cane area declined, early-season moisture was inadequate, and sucrose content is lower. Africa's sugar production may rise about 250,000 tons.

The U.S. Senate consented to ratification of the International Sugar Agreement treaty on November 30. Legislation to fully implement U.S. participation in the ISA was passed by the House Ways and Means Committee on December 13. Action is pending in the House of Representatives. (*Robert D. Barry*, National Economics Division, 202-447-7134).

Coffee and Cocoa

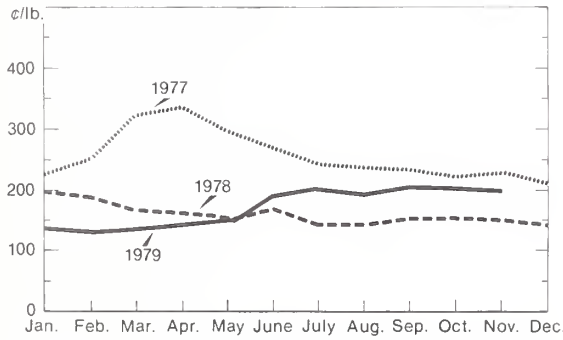
Coffee and Cocoa Crops Up

The 1979/80 *world coffee* crop is estimated at 81.8 million (60-kilogram) bags, 6 percent above last season (table 23). However, consumption is expected to be up somewhat from 1978/79. Domes-

tic consumption in coffee-producing countries is forecast at 19.8 million bags in 1979/80, 4 percent above the previous year.

Brazil's coffee output has been recovering each year following the 1976/77 frost-reduced crop of 9.3 million bags. Output in 1979/80 is estimated at 22.5 million bags, 12 percent higher than last season. The May 31-June 1, 1979 freeze in Brazil had little impact on 1979/80 production, but will likely cut short Brazil's potential 1980/81 crop to 20-22 million bags from the pre-frost potential of 26-28.5 million. Outside of Brazil, 1979/80 coffee output is up slightly over 1.8 million bags—or 3 percent—from 1978/79.

Coffee Price *



*International Coffee Organization composite price

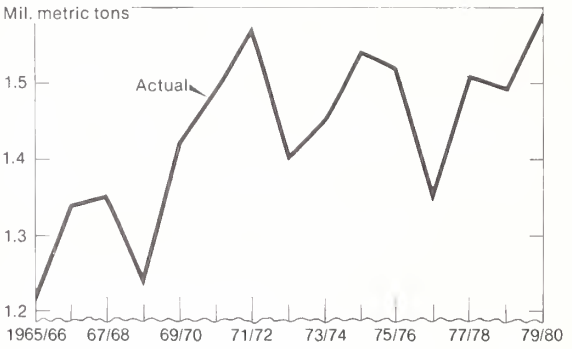
USDA Neg. ESCS 2261-79(12)

Coffee prices (based on the International Coffee Agreement's composite price for the 4 major varieties) rose from the 1979 low monthly average of $1.31 per pound in February to $1.91 in June following the Brazil freeze. The September average of $2.05 has eased to about $2.00 per pound in November.

A record *world cocoa* crop of 1.59 million tons is forecast for 1979/80, more than 6 percent above 1978/79 and about 1 percent greater than the previous high in 1971/72. Good growing conditions will likely produce gains of 9 percent in Africa and 2 percent in South America, the large cocoa-producing areas.

World cocoa bean grindings in 1980 are forecast to rise 2.5 percent to 1.45 million tons, helped by greater supplies and further likely easing of prices

World Cocoa Bean Production

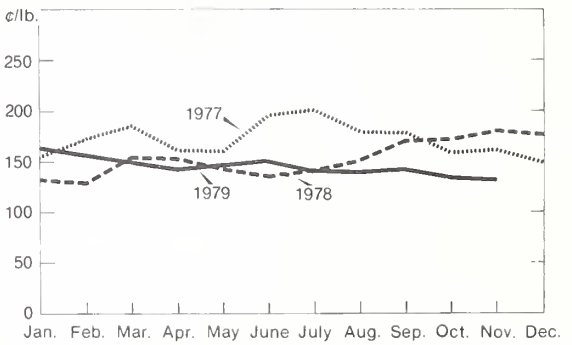


USDA Neg. ESCS 2261-79(12)

(despite inflation and slower global income growth). World cocoa stocks are expected to rise by some 120,000 tons, the third successive increase. Cocoa has faced increased competition from extenders and substitutes.

Cocoa prices (based on New York futures) eased from the all-time annual average high of $1.72 per pound in 1977 to $1.53 in 1978. In November 1979, prices averaged about $1.31 per pound.

Cocoa Price *



* Average of nearest three active futures trading months on New York Cocoa Exchange

USDA Neg. ESCS 2262-79(12)

The International Cocoa Agreement was scheduled to expire on September 30, 1979, but has been extended for 6 months. (*Robert D. Barry*, National Economics Division, 202-447-7134).

United States

Renewed Cost-Price Squeeze Ahead

Net farm income in 1979 is rising as higher prices of crops and livestock are offsetting the rapid increase in production costs. Next year, farmers will be in a cost-price squeeze with higher production costs outpacing increases in farm prices.

Farm prices are rising 13 to 15 percent this year. Livestock prices are 15 to 20 percent higher, about double the increase for crops. Thus, gross receipts will be about $130 billion, up from $111 billion in 1978. This increase, along with higher nonmoney and other farm income, will more than offset the $16 billion rise in production expenses. Net farm income will total about $32 billion, compared with $28 billion in 1978.

Next year, farmers will likely enjoy higher prices for both crops and livestock even though crop harvests this fall have been very large and livestock output may be a little larger. Further increases in crop exports and expanding domestic use will help raise prices received by U.S. farmers. However, the impact of rising energy costs and continuing inflation will boost production costs another 10 to 12 percent. This will put many farmers in a cost-price squeeze, especially pork and poultry producers. For all of 1980, net farm income is expected to decline, possibly by as much as 20 percent.

Retail food prices this year are averaging 11 percent higher than in 1978. Prices rose rapidly last winter and spring as unfavorable weather interupted available food supplies. Gains in prices of meats and fresh fruits and vegetables outpaced rises in other foods. Food prices have been almost steady in the second half.

Further increases in retail food prices are in prospect for 1980. The current forecast is for a 7 to 11 percent rise. But unlike other recent years, almost all of the increase is expected to be from higher marketing costs. The upward pressure on food prices from rises in the farm value will be small, unless weather conditions are unusually bad. Moderate increases are anticipated for all major food groups. In 1979, retail food price increases were the sharpest for beef, processed meats, fresh and processed fruits and dairy products. (*Donald Seaborg*, 202-447-8676)

Western Europe

Another Large Grain Crop Harvested

Production of all grains (excluding rice) is estimated at just over 145 million tons in 1979/80, down 5 percent from last years' record crop, but still the second highest on record. The EC's grain harvest now totals about 113 million tons, down 3.4 percent from last year (table 24). EC wheat production, at 45 million tons, is down 5.5 percent while coarse grain production, at 68 million tons, is down only about 1 percent.

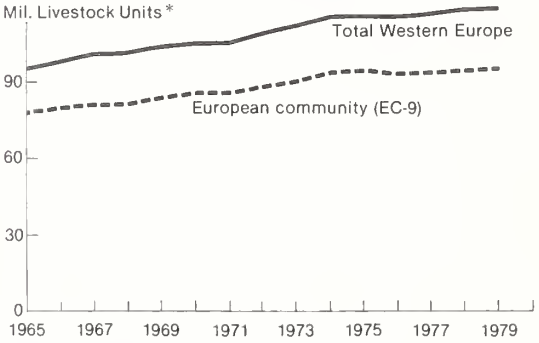
With domestic utilization of wheat estimated at 41.6 million tons and barley at 37.8 million, the EC will again be in a strong export position for both grains. A drawdown in stocks to more usual levels could result in a significant increase in grain exports. Since most EC wheat and barley exports are subsidized, the actual amount exported will depend on policy decisions by the EC Commission.

The aggregate grain crop for the non-EC countries in Western Europe totals 32.7 million tons, down about 10 percent from last year. The decline was about evenly split between wheat and coarse grains, although in percentage terms the 12-percent decline for wheat was greater.

Growth in Feed Demand Moderate

The livestock base in the EC is expected to increase only marginally during 1979/80. Expansion in the EC pork sector, which began in 1976, is coming to an end and a year-to-year decline in hog numbers is expected in late 1979-early 1980. The pig breeding herd in most EC countries has already begun the decline. The duration of this downward swing in the production cycle will be influenced by future trends in feed prices. Beef and veal production in the EC is expected to rise less than 1 percent during 1979/80. The herd is estimated up slightly despite a continuation of the depressed beef market and public intervention purchases in some parts of the EC. While new measures to deal with the EC's chronic dairy surplus are expected in 1980, the outlook for 1979/80 milk production is for an increase of close to 2 percent.

Livestock Units, Western Europe



* Weighted total of livestock and poultry based on December livestock numbers and calendar year poultry data

USDA Neg. ESCS 202-79(12)

Continued increases in output from the EC poultry sector is highly dependent on third country

markets, which now take about 5 percent of production, as domestic demand has been weak through most of 1979. Egg production could be lower in 1979/80 as layer-hen hatchings in the EC have been falling off. This would reverse the uninterrupted expansion of the egg industry which began in 1973. Placements of meat-stock birds continues to expand, however, and EC broiler production should be up in 1979/80, although the outlook is heavily dependent on prospects in the export market.

With the overall EC livestock base (numbers and output) little changed in 1979/80, total feedstuff requirements are expected to show little if any gain over 1978/79. The demand for commercial feeds and U.S. grains and oilseeds will probably depend to a large extent on the length and severity of the winter season.

The livestock and poultry sectors in the non-EC countries of Western Europe are expected to show more growth than in the EC. Spain, the largest livestock producer of the non-EC countries, is expecting a 5 percent increase in pork output and a 3-percent rise in poultry production through 1980.

EC Policy Actions Could Buoy Oilmeal Usage

During the latter part of 1979, EC imports of soybeans and soybean meal dropped appreciably from early 1979 levels. Part of the reduction reflected increased crushings of other oilseeds (rapeseed and sunflowerseed) as well as substantially lower manioc imports in the second half of 1979.[1] Total manioc imports are not likely to have exceeded 4.5 million tons in 1979, compared with 6.0 million in 1978. A continuation of the EC-Thailand agreement on restriction of manioc exports to the EC is now being negotiated and Thai exports to the EC could be limited to about the 1978 level of 5.9 million tons, although the size of the current Thai crop will limit exports to a level well below the agreement level. However, any increase in EC manioc imports in 1980 would mean an improved position for oilseed meals—especially soybean meal.

Another factor in the 1980 potential for EC oilseed meal imports is the recent suspension of the subsidy program for using nonfat dry milk (NFDM) in pig and poultry feeds. As much as 450,000 tons of NFDM have been used annually in pig and poultry rations as a replacement for vegetable protein. While suspension of the scheme is expected to be temporary—until substantial intervention stocks of NFDM reappear—it is likely to remain in effect through the remainder of the 1979/80 milk marketing year (until March 1980). Both the manioc and NFDM issues could mean greater potential than had earlier been anticipated for U.S. soybean and soymeal exports to the EC during the latter part of 1979/80. (*John C. Dunmore*, 202-447-8054)

[1]Manioc is a low protein feedstuff, the inclusion of which in a feed ration must be accompanied by increased protein.

Canada and Oceania

Grain Output Down

Canada's smaller 1979 wheat crop points to a moderate reduction in ending stocks by next August 1. Exports are expected to be close to 13.5 to 14.0 million tons, compared with 13.0 million of wheat and flour (wheat equivalent) during 1978/79. The 17.7-million-ton harvest was 17 percent less than the 1978 record.

Coarse grain production of 18.7 million tons in 1979/80 was also less than a year earlier, with barley production off substantially. Export activity is expected to range between 4.5 and 5.0 million tons—heavy barley shipments to Poland and the USSR have already been made. In addition, larger livestock numbers mean increased domestic feed use. Coarse grain stocks at the end of the season are expected to be sharply lower than either of the two previous seasons.

Grain production and exports, Canada

Commodity	1976/77	1977/78	Estimated 1978/79	Forecast 1979/80
	Million tons			
Wheat:				
Production	23.6	19.9	21.2	17.7
Exports	12.9	15.9	13.5	13.5
Coarse grains:				
Production	21.1	22.3	20.4	18.7
Exports	4.6	3.7	3.9	4.3

Grain production in *Australia* during 1979/80 is expected to be less than the record crop of last year. Even though the area sown (mainly wheat) was larger than last year, weather conditions have not been as ideal. Although moisture conditions were adequate when the crop was planted, dry conditions prevailed during the middle of the growing season. But rains toward the end of the growing season substantially improved crop prospects. Wheat production in 1979/80 is estimated at 16.0 million tons, compared with 18.3 million last year. The coarse grain crop is estimated at 6.4 million tons, down 11 percent from 1978/79. Despite reduced production, grain supplies for domestic use and export are liberal because of large carryover stocks from last season.

The Australian Wheat Board has made substantial sales to USSR, China, Egypt, and other countries. While labor and other logistical problems

hampered exports last year, record levels of wheat exports are likely for this year.

Less Beef, More Pork Being Produced

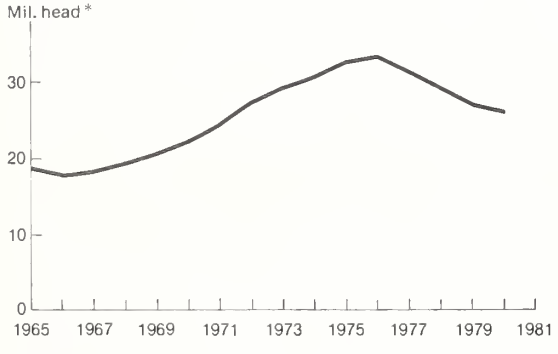
On July 1, total cattle numbers in *Canada*—at 13.7 million head—were the same as a year earlier. This signals the turning point in the cattle cycle, as the liquidation phase appears to have ended.

Fed steer prices at major Canadian markets have been running substantially higher than a year earlier, and are expected to remain steady or slightly lower for December and possibly January. Heavy supplies of competitive meats will tend to keep downward pressure on beef prices, although cattle slaughter in January-October 1979 was 14 percent less than a year earlier.

Canadian hog slaughter in 1979 should reach an all-time high of about 11 million head, up 20 percent from 1978. Increased marketings and relatively low prices, possibly $10 or more per cwt. less than a year earlier, can be expected in early 1980. This year, 16 percent more sows are expected to farrow during July-December. However, deteriorating hog-feed price relationships indicate that hog production is rapidly becoming less profitable.

Australian cattle numbers declined during 1979, continuing the cyclical decline which began in 1976. While the slaughter of cattle and calves was reduced, it was not sufficient to stop the decline in cattle inventories. Cattle producers should respond to current high prices by retaining cattle in the herd and further reducing slaughter in 1980.

Cattle Inventory, Australia



*Number of all cattle at beginning of year, 1980 data are estimated

USDA Neg. ESCS 204-79(12)

Sheep numbers increased by a small amount in 1979, and continued flock rebuilding is expected in 1980 due to good economic prospects for both wool and sheepmeat. Hog and poultry production is also expected to expand because of higher meat prices.

New Zealand cattle, both beef and dairy, have come through the winter in good condition and milkfat production during the first part of the season has been well ahead of a year ago. Beef and veal production is expected to decline during the current year as cattle producers attempt to stabilize livestock inventories. Lamb and mutton production is expected to increase due to a higher lambing percentage and increased total sheep numbers. Favorable wool growing conditions and rising sheep numbers are expected to boost wool production. (*Charles W. Porter*, 202-447-8860 and *Allen O. Johnson*, 447-8229)

Japan

Rice Crop Down; Stocks Still Heavy

Japanese rice production in 1979 is estimated at 10.9 million tons (milled), 5 percent below a year ago. However, it still exceeded the Government's production target by about 250,000 tons and is contributing to already burdensome surplus stocks.

In 1978, the Government of Japan (GOJ) instituted a 10-year program to divert rice paddy area to the production of certain priority crops. The inability to reach target reduction levels in both 1978 and 1979 has led to consideration of a stepped-up program in 1980. An additional 160,000 hectares would be diverted above the 390,000 target reduction set for 1978 and 1979. It is hoped this action would reduce the 1980 rice crop by 2.5 million tons (brown).

As a result of the rice diversion program, 1979 production of priority crops increased—wheat was up 47 percent, coarse grains rose 21 percent, and soybeans increased 5 percent. Although total production of these commodities is still at very low levels, continued production increases will slow future growth in import demand for each.

Livestock Production Continues To Expand

Livestock production in Japan will continue to advance in 1980 but at a slower rate than in 1979. This slowing is due to a combination of factors including a slower rate of growth in real personal income, rising grain prices, and the depreciation of the yen. Formula feed prices bottomed out in April 1979 and then began to rise. In addition, wholesale

Output of livestock and products, Japan

Commodity	Change from year-earlier	
	1978/79	1979/80
	Pct.	
Beef and veal	8.2	6.0
Pork	10.9	9.0
Eggs	2.6	1.0
Broilers	7.8	7.0
Milk	6.9	5.0

prices of pork have declined since June. Producer pork prices have also weakened with feeder pig prices falling by almost one-third over the March-August period.

The GOJ has been successful recently in exporting large volumes of rice under its surplus rice disposal program initiated in April 1979. Having originally planned to export only 200,000 tons (brown basis) in their fiscal year (JFY) 1979 (April 1979-March 1980), contracts to date have been signed for the export of 620,000 tons (brown) with other possible export sales raising the total to above 800,000 tons by the end of March 1980.

Another 100,000 tons of rice have been earmarked for use in formula feed production. Rice used for feed will jump to 500,000 tons (brown) in JFY 1980 and will continue at that or greater levels through JFY 1983. Since rice is expected to displace corn and/or sorghum on a one-to-one basis in formula rations, growth in demand of coarse grain as a feed could be negligible over the next four years. (*William T. Coyle*, 202-447-6809).

USSR

USSR Crops Cut by Drought

In his speech at the November 27 Party Plenum, General Secretary Brezhnev stated that the 1979 Soviet grain crop totaled 179 million tons, 58 million tons below 1978 production and 48 million below plan. A breakdown between grains was not given and is not expected to be announced until the plan fulfillment report in late January; USDA estimates 86 million tons of wheat, 84 million of coarse grains, and 10 million of rice, miscellaneous grains, and pulses. A severe drought occurred in May and June, primarily in parts of the central European USSR and eastern half of the Ukraine and stretching across the Volga valley and North Caucausus. Crop losses in those regions, however, were partially offset by excellent harvests in the new lands area of Kazakhstan and West Siberia; Kazakhstan reported a record harvest of 33.6 million tons.

At the U.S.-USSR grain consultations held in Washington on October 3, the U.S. offered the Soviets permission to purchase up to 25 million tons of wheat and corn in the fourth year of the grain agreement (October 1, 1979 - September 30, 1980). There were no additional import restrictions placed on either wheat or corn and therefore the standard 3 million tons of each is the only minimum requirement. The USDA estimates Soviet grain imports from all origins during 1979/80 (July-June) at about 34 million tons—12 million of wheat, 21.5 million of coarse grains, and 0.5 million of rice and other miscellaneous grains. U.S. sales and exports to the USSR under the third year of the Agreement (October 1, 1978 - September 30, 1979) totaled 15.6 million tons (4.0 million of wheat and 11.6 million of corn). Fourth year sales totaled 12.8 million tons as of December 7 (4.4 million of wheat and 8.3 million of corn). Exports of U.S. grain, plus currently outstanding sales for shipment in the current July/June year, have totaled 21.1 million tons (6 million of wheat, 14.9 million of corn and 0.2 million of barley).

U.S. export prices on wheat to the USSR for the second half of 1978 and the first three quarters of 1979 were consistently below average quarterly U.S. export prices to the world—ranging from 5 to 10 percent lower. For the same period, U.S. export prices for corn to the USSR, however, were quite close to U.S. export prices to the world. The relative price of wheat is high compared with feed grains, and since the true impetus for Soviet grain imports is livestock feed, wheat imports would be at a premium both in terms of price and the foregone feed grains. This probably explains the strong preference for U.S. corn.

Total grain production, use, and trade, USSR

Year (July/June)	Production	Trade		Utilization			Stock change[3]
		Imports	Exports	Total[1]	Feed	Other[2]	
	Million tons						
1970/71	187	1.3	8.5	188	92	95	-8
1971/72	181	8.3	6.9	181	93	88	+2
1972/73	168	22.8	1.8	187	98	89	+2
1973/74	223	11.3	6.1	214	105	108	+14
1974/75	196	5.7	5.3	206	107	99	-10
1975/76	140	26.1	.7	180	89	90	-14
1976/77	224	11.0	3.3	221	112	108	+11
1977/78	196	19.1	2.3	228	122	106	-16
1978/79[4]	237	15.6	2.8	231	125	106	+19
1979/80[5]	179	34.0	.8	228	128	100	-16

[1] Totals may not add due to rounding. [2] Seed, industrial, food and dockage - waste. [3] Minus indicates withdrawal from stocks. [4] Estimated. [5] Forecast.

Fall sowing of winter crops this year reached planned levels of about 41 million hectares and exceeded sowings of last year. Moisture conditions have been mixed with possibly poor germination in parts of the Ukraine and North Caucausus. An abrupt cooling trend culminating in near record low temperatures (e.g.,-24°C at Kiev) further complicated the outlook.

On December 10, TASS (the official USSR news agency) announced that the 1979 seed cotton crop had reached a record 9.1 million tons, raw basis, which is equivalent to 13 million bales of lint cotton. This is 3 percent above the planned level and almost 4 percent above the previous record in 1977.

Early snows and the extremely cold temperature in European USSR in late October-early November probably interfered with the final stages of the sugarbeet harvest. This crop had already been plagued by weather problems ranging from a cold wet spring to severe drought in late May-June. Sugarbeet output will probably fall 15 million tons short of the 97-million-ton planned goal.

The sunflower crop has also been hit by the difficult weather conditions and will likely be near last year's poor harvest of 5.3 million tons.

Livestock Inventory at Record Level

Livestock inventories in the socialized sector as of November 1 showed record levels of cattle, cows, and poultry for that date and near record levels for hogs. Seasonal inventory patterns for most categories of livestock have shown no significant deviations from normal in recent months. Hog numbers, however, declined by 1.3 million head in October, a larger than normal decrease for that month but far less drastic than the 3.2 million head drop in October 1975. The 1975 decline in numbers began in August in an attempt to adjust feed demand to the very poor grain and forage harvest that year.

On September 21, 1979, General Secretary Brezhnev stated that despite difficulties encountered this year because of unfavorable weather, not only should livestock be maintained but that a decrease in livestock productivity should not be allowed. If the Soviets attempt to meet Brezhnev's request to maintain livestock productivity in conjunction with high inventories, fewer animals may be marketed in order to maintain relatively high average weights. However, if feed supplies become short, some combination of reduced inventory levels and/or reduced average liveweights of livestock may be necessary. (*William R. Gasser*, 202-447-8228).

Eastern Europe[1]

Grain Harvest Down; Trade To Increase

A record corn crop and sharp declines in the production of other grains characterizes the East European grain situation in 1979/80. The total 1979 grain harvest is estimated at about 90 million tons, 6 million below 1978. Poor 1978 fall sowing conditions, high winterkill, a prolonged dry spell, and harvesting difficulties combined to reduce small grain production by approximately 11 million tons. The 1979 corn harvest, meanwhile, is estimated at a record 33.2 million tons. The large corn crop will improve feed supplies in the Southern countries, but will do little to help the Northern countries where corn is a minor grain.

Grain production, Eastern Europe

Commodity	1976/77	1977/78	Estimated 1978/79	Forecast 1979/80
	Million tons			
Wheat	34.6	34.2	35.9	28.4
Coarse grains	59.5	59.2	60.4	61.7
Corn	29.8	29.7	27.7	33.2
Other	29.7	29.5	32.7	28.5
Total grain[1]	94.1	93.4	96.3	90.1

[1] Excludes rice.

Conditions for sowing winter grains were generally better this fall in Eastern Europe than a year ago. Periods of rainy weather were interspersed with dry spells, permitting both fall fieldwork to progress and helping winter grains to get established.

Poor weather conditions cut 1979/80 oilseed production about 12 percent. Rapeseed production dropped over 45 percent, while soybean and sunflower harvests rose about 6 percent each.

After a slow start, green fodder and root crop prospects improved greatly in the latter part of the growing season. The hay, silage, potato, and sugarbeet crops for the region are considered good to excellent. The abundant potato harvest is especially important in the Northern countries, where a high percentage of potatoes is used for animal feed.

Livestock and poultry numbers are estimated to be holding steady or increasing in East European countries, except for Yugoslavia and Poland. Low producer prices and feed shortages in the 1978/79 winter and spring caused Yugoslav livestock inventories to decline sharply. In Poland, livestock

[1]Northern countries: Czechoslovakia, German Demoncratic Republic, and Poland. Southern countries: Bulgaria, Hungary, Romania, and Yugoslavia.

numbers—especially hog numbers—declined during the first half of 1979. Government efforts to improve the economic situation for livestock producers by increasing prices paid for slaughter animals and by assuring sufficient feed supplies should lead to slow herd rebuilding during 1979/80 in those two countries.

The reduced grain crop and stable or rising livestock inventories are expected to result in substantially increased grain imports to the region. During 1979/80 (July/June), total grain imports are estimated at more than 16 million tons—both wheat and coarse grain imports will be up. Grain imports are not likely to increase to the full extent of the domestic crop shortfall, however, as hard currency shortages, high grain prices, expensive and scarce credit, and internal transport problems limit East European imports. Oilseed and meal imports are expected to continue strong because of the reduced domestic oilseed crop and as these countries attempt to feed more balanced rations. (*Allen A. Terhaar*, 202-447-8380).

People's Republic of China

Grain and Oilseed Crops Larger

In 1979, the PRC achieved new records in grain and oilseed production, but cotton production appears to be off slightly from 1978. The PRC also expects lower production of sugar crops and flue-cured tobacco in 1979.

Grain production including soybeans, pulses, and tubers, will likely reach 317 million tons, exceeding both the 1979 plan and the 1978 record. Favorable weather throughout the growing season has resulted in production increases for most grains, particularly wheat.

Wheat production in 1978/79 reached a record estimated at 49.5 million tons, up 4.5 million from the previous year, resulting primarily from increased yields, although area also increased. Production of the other summer grains, such as barley and early corn, was also up.

Total rice production is now forecast at 140 million tons, 3 million over 1978. Production of early rice—about 40 percent of rice output—increased slightly because of good yields; planted area was lower. Both yields and area of intermediate rice increased. Increases in single crop late rice area did not offset decreases in double-cropped area. Nevertheless, prospects now appear good for greater-than-anticipated late rice production.

Coarse grain production is currently estimated at 83 million tons and soybean production is likely to have equalled the good 1978 harvest of 10.5 million. Generally favorable weather in the major growing areas of these crops may have offset the effects of late planting.

Production of oilseeds, excluding soybeans and cottonseed, in 1979 exceeded 1978's record of 5.2 million tons, primarily because of the 10-percent increase in rapeseed production. Area of both peanuts and sunflowerseed increased and good conditions were reported for these and other fall-harvested oilseeds which are also likely to increase.

At 2.13 million tons, cotton production is off slightly from last year's level because of an estimated 4 percent decrease in area. Yields are still estimated to have increased.

Heavy rains in September and dry conditions during October initially created good conditions for 1979/80 winter crop planting. However, dry conditions have continued in some areas and some provinces have reported problems with planting. Winter wheat area could be down somewhat for 1980.

Agricultural imports, PRC

Commodity	1976/77	1977/78	Estimated 1978/79	Forecast 1979/80
	Million tons			
Total from all sources:				
Wheat[1]	3.16	8.58	7.84	7.00
Corn[1]	0	.06	3.10	2.50
Cotton[2]	.14	.35	.48	.65
Soybeans[3]	.25	.19	.25	.55
	1976	1977	1978	1979
	Million dollars			
Agricultural imports from U.S.[4]	([5])	66	614	800

[1] July/June year. [2] August/July marketing year. [3] September/August marketing year. [4] In calendar year. [5] Negligible.

Grain Imports Will Be Down

PRC total grain imports for 1979/80 (July/June) are estimated at about 9.5 million tons, 13 percent less than in 1978/79. The PRC will likely import about 7 million tons of wheat in 1979/80 and 2.5 million of corn. During July-November 1979, nearly 1 million tons of U.S. wheat had been delivered and about 550,000 tons of U.S. corn contracts were registered for the July/June year.

PRC cotton imports in 1979/80 are now estimated at a record of about 3 million bales, of which the U.S. share is more than half. Recently increased consumption and a desire to maintain or rebuild stocks are the most likely causes of the large increase in cotton imports.

Soybean imports for 1979/80 (September/August) also are experiencing substantial increases due to consumption gains. Total soybean imports are now forecast at about 550,000 tons, of which 427,200 had been contracted from the United States as of late November. This level

of soybean imports will make the PRC a net importer of soybeans despite increased soybean exports to Japan.

Due to higher total oilseeds production, PRC soybean oil imports for 1979/80 are most likely to remain about the same as the 123,000 tons imported in 1978/79.

Recent increases in U.S. sales of cotton and soybeans to the PRC have pushed the estimate of total value of U.S. agricultural exports to the PRC in calendar year 1979 to a record of about $800 million, surpassing the 1974 record of $664 million. (*Carolyn L. Whitton*, 202-447-8380)

Asia

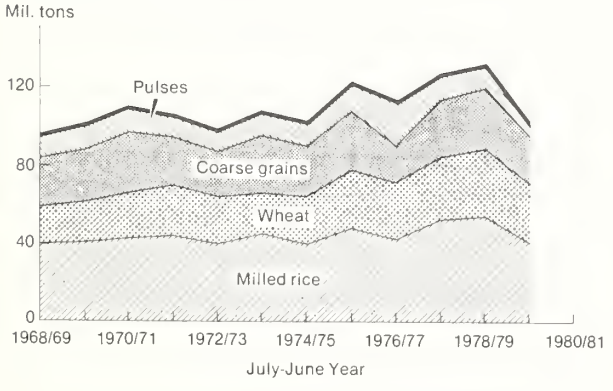
While several countries in Asia are experiencing good harvests, the severe drought in India will result in about 3 percent lower agricultural production for the developing Asia region during 1979.

India's Grain Crop Hit By Drought

Total 1979/80 (July/June)[1] food grain production in India is currently estimated in the 105 to 109-million-ton range, down sharply from the 131-million-ton record harvest of 1978/79. This drought-induced reduction would represent the largest volume decline in India's history.

Prospects for India's current rice harvest are turning out to be worse than earlier anticipated. The late monsoon arrival in June, erratic rainfall in July and August, and an early ending of monsoon rainfall in September have resulted in a series of reductions in the current rice crop estimate. For a large portion of northern India stretching from the vicinity of Agra's Taj Mahal to Bihar, few farmers will harvest half the volume of rice they did last season. India's total rice production is now estimated at 41 million tons (milled basis), nearly a fourth less than the huge 1978 harvest. Coarse grain production has been similarly affected, with the 1979/80 harvest being reduced by about five million tons from the previous year.

Total Grain Output, India



India's 1979/80 peanut harvest is largely completed with output estimated at 5.7 million tons, 700,000 below the previous year. Good August rains in the major producing state of Gujarat kept the crop from dropping even lower.

Preliminary estimates for India's 1980 wheat crop place output in the 28 to 30-million-ton range, or 5 to 7 million less than the large 1979 crop. About three-fourths of the wheat comes from irrigated fields and the supply of irrigation water has been sharply reduced because of the drought. Delayed planting will also reduce yields somewhat and areas that are acutely short of moisture may be taken out of wheat altogether.

The dramatic setback in India's food grain situation in recent months is likely to have some important agricultural policy and trade implications. While Government rice stocks will remain near the 9-million-ton level for the remainder of 1979 until the rice harvest is completed, a gradual decline thereafter seems probable. Rice procurement is likely to fall below the 6 million tons obtained in 1978/79, but government deliveries to fair-price shops and distribution through Food for Work could rise to 600,000 tons per month or about 7 million tons during 1979/80.

Other Countries Generally Have Good Harvests

The grain situation in *Bangladesh* is improved over last year. Rice production in 1979/80 should reach 12.5 million tons—up from the somewhat disappointing output of 12.3 million in 1978/79. Wheat production will likely again rise substantially, reaching 840,000 tons in 1979/80, nearly double the year-earlier level.

A serious food supply crisis in late spring due to a poor Boro (winter rice) crop, dry planting conditions for the 1979 Aman (summer rice) crop, and delayed wheat import arrivals was averted by a very heavy stock drawdown. On June 30, 1979, closing food stocks stood at 185,000 tons, 492,000 below the 1976-78 average for that date. The Government of Bangladesh hopes to be able to rebuild these stocks and assure adequate food supplies in 1979/80 by importing up to 1.8 million tons of wheat and 700,000 tons of rice.

Favorable growing conditions in *Pakistan* have contributed to a large 1979 rice harvest, currently estimated at 3.2 million tons. Large carryover stocks should result in 1979/80 rice exports of 1.2 to 1.5 million tons. An excellent monsoon season, coupled with increased fertilizer use, have

[1]Output in 1979/80 includes estimates of the fall 1979 harvested crops, such as rice and coarse grains, and forecasts of the spring 1980 harvested crops, such as wheat.

improved prospects for the 1980 spring wheat harvest. The Government of Pakistan has forecast the crop at 10.5 million tons, 6 percent above the 1979 outturn.

Thailand's production and export prospects for the 1979 grain harvest continue to be good. The rice crop, while perhaps not as large as the 1978's 11.1-million-ton crop, will still be large, with exports of about 2.7 million likely in 1979. Coarse grain exports may surpass 2.0 million tons. Cassava product exports in 1979 will be about 4 million tons, one-third less than in 1978, with 4.5 or more million tons predicted for 1980. Sugarcane area and production are down considerably from last year, but carryover stocks will allow exports to increase by 100,000 tons over 1978/79 shipments of 890,000 tons.

South Korea's bumper barley harvest of 1.5 million tons is being used to replace some rice, which is in short supply domestically. Rice output is expected to climb slightly to 5.6 million tons, but will not approach the record 1977 level.

Rice imports will probably exceed 500,000 tons, and wheat imports should be 1.75 million. Increased animal feed needs will lead to the import of over 3 million tons of corn and 400,000 tons of soybeans in 1979, substantially higher than in 1978. The effects of recession on textile production in Korea and the world are still unclear, but South Korea expects to import 1.3 million bales of cotton by the end of 1979.

Indonesia's 1979 rice harvest estimate has been further reduced to 16.4 million tons, 1.1 million below the previous year, but still the second highest on record. Insect damage and drought have contributed to the decline. Rice imports should reach 2.1 million tons during the year, enabling the country to effectively control rice prices through Government market injections. Four of the last five rice harvests have been curtailed due to adverse weather and pest damage.

Late rains delayed rice planting by about six weeks in *Burma* and have lowered 1979/80 rice production to 6.5 million tons, slightly below year-earlier levels. Although the crop will not be harvested until early 1980, it appears that irrigated water supplies are very low and the actual crop output could be lower than the current estimate.

Malaysia's 1979 agricultural production is much improved over the drought-reduced 1978 level and about 9 percent above the previous record 1977 output. Rubber, palm oil, and rice are all up significantly. Palm oil production will reach almost 2.1 million tons, nearly all of which may be exported. (*E. Wayne Denney*, 202-447-8219)

Africa and Middle East

Middle East: U.S. Agricultural Exports to Iran Virtually Cease

The recent take over of the American embassy in Iran has brought a sudden and dramatic halt of U.S. agricultural exports to that country. This has been brought about by the refusal of International Longshoremen to load ships destined for Iran, and not by a change in U.S. policy. In 1979, Iran has taken nearly $500 million worth of U.S. agricultural products, approximately one-fourth of its total annual food imports. The U.S. share, however, was critical. U.S. exports comprised 80 percent of Iran's wheat imports, 70 percent of feed grain imports and nearly 100 percent of oil meal imports.

Production and imports of agricultural commodities, 1979, Iran

Commodity	Domestic production	Imports	Share of total consumption that is imported	U.S. share of total imports
	Thou. tons	*Thou. tons*	*Pct.*	*Pct.*
Wheat	5,000	1,300	20	80
Feed grains	1,100	1,400	55	25
Vegetable oils	75	300	80	70
Rice	800	450	36	70
Sugar	650	650	50	(2)
Fruits and nuts	1,600	450	22	(2)
Poultry meat	190	50	25	(2)
Eggs	133	70	34	(2)
Meat	153	[1] 150	27	(2)
Soybean oil cake and meal	104	100	49	100

[1] Includes live animal meat equivalent. [2] Negligible.

Iran's food imports from the U.S. began to slow in mid-summer reflecting a specific policy by Iran to further diversify its food imports. Consequently, U.S. farm exports to Iran in July were $60 million; in August, $30 million; and in September, $29 million. A shipment of 32,000 tons of U.S. barley left on November 6th.

For Iran this situation probably portends difficulties, possibly in the immediate future, especially if Iran is unable to buy from other suppliers the commodities traditionally received from the United States. For the current rate of domestic consumption, Iran must import nearly 100,000 tons of wheat per month, 30,000 tons of rice, 100,000 tons of feed grains, 25,000 tons of vegetable oils, and 10,000 tons of oil meal. Some of these commodities are in tight world supply and finding other sources may be difficult.

Iran's 1979 food output was average and wheat and rice supplies may be sufficient for the near term. For vegetable oils, feed grains, and soymeal, the situation is quite different. In order to maintain

current consumption levels, Iran needs a steady monthly arrival of these items. A slowing, or stopping, of these critical items would have immediate effects on Iran. A vegetable oil shortage would be felt country-wide. Feed grain shortages would affect the poultry sector. Shortages incurred early in 1979 witnessed the closing down of at least half the poultry industry. A poultry shutdown would affect meat supplies in the urban areas, particularly, as the people in the cities have become accustomed to eating a better diet over the last five years—a diet largely dependent on imported products.

As of beginning of 1979, it was estimated that Iran depended on imports for 30 percent of its agricultural product needs. Whether that ratio improves or becomes worse depends on the new Government's agricultural policies. Little has been learned of the new regime's agricultural plans. However, even with emphasis on production, Iran's agriculture is limited by a number of factors that political policy can not alter. The amount of fertile soil is limited because about one-half of Iran's land area is desert, waste-land, or barren mountain ranges. The amount of rainfall is sufficient to adequately water crops on only about 10 percent of the country, and the rains are unevenly distributed. About 40 percent of total cultivated land area of around 9 million hectares is irrigated. Farming methods used in the 1970's by most farmers were essentially not much different from those used for millennia. Recently, credit facilities were improved and there was increased use of fertilizer and mechanized equipment in newly established agribusiness. But subsistence farming continues to be prevalent. Scarcity of water and the means of making use of it, primitive farming methods, infrastructural problems, distribution and marketing difficulties, and a poor extension system plague Iran's agriculture and portend continued development difficulties, as well as continued reliance on imported food. The climatic vissistudes have made Iran's agriculture subject to sharp production fluctuations. In view of these factors, a steady and continuous flow of imported food commodities is of utmost importance.

North Africa: Egypt To Import More Wheat and Corn

Egypt produced good crops in 1979, but its need to import agricultural items rose because of increasing demand. It appears that Egypt will import 5.5 million tons of wheat and flour in 1979, up from 5.1 million last year. About 34 percent of the 1979 tonnage is coming from the United States. Egypt's imports of corn also rose—from 742,000 tons last year to 800,000 in 1979—practically all from the United States.

Although 1979 wheat production in both Morocco and Tunisia was higher than earlier estimates, Maghreb import requirements may reach 5 million tons in 1979/80 because of increased demand from Algeria. U.S. exports may reach 1.8 million tons, up from 1.4 million in 1978/79. Vegetable oil imports may exceed 400,000 tons during 1979, as a result of low olive oil production from the 1978/79 harvest.

West Africa: Food Production Below Earlier Expectations in Sahel

The Sahelian countries received below-normal rainfall this season, though in general moisture was not severely lacking. Still, the dry period experienced throughout much of August was injurious to crops during their reproductive stages and this has likely decreased crop yields. Food production may fall below levels estimated earlier, and rangeland production too has been lower than expected.

Near drought conditions prevailed in southern Mauritania while overall moisture accumulation in Senegal averaged 50 percent of normal. Consequently, Senegal's rainfed crops suffered—groundnut and millet production will likely be down.

The coastal countries have received near normal rainfall in 1979, although there have been both substantial dry periods and unusually heavy rains. Crop production in most countries should be at normal levels with local conditions accounting for deviations from predicted production levels.

Southern Africa: 1980 Corn Crop Off To Good Start in South Africa

Planting conditions for South Africa's summer crops to be harvested in early 1980 were fair as of mid-November. Rainfall was adequate in most areas and soil moisture was generally satisfactory. Improvement is expected over 1979 crop output. Corn production is expected to increase by about a fifth and corn exports for the 1980/81 marketing year could recover to the 3-million-ton level.

As the season progressed, estimates of the Republic of South Africa's 1979 drought-damaged corn harvest increased. It is now estimated at 7.9 million tons, although still around a fifth below a year earlier. This could allow exports of 2.5 million tons during the current marketing year, compared with the relatively high level of slightly over 3 million tons previously exported. An unusually high proportion of South Africa's current year corn exports could go to neighboring African countries. Many of these countries are experiencing tight domestic supplies of corn, which is usually their major food. Overall, South Africa's agricultural production showed a slight drop in 1979 of about 5 percent from 1978.

Zambia's marketed corn production has been estimated at only 300,000 to 360,000 tons during 1979, down from about 700,000 in 1978. Drought, and problems with supplies of farming inputs, such as fertilizer, spare parts, and corn seed, contributed to the poor corn crop. This situation is related to the inadequate and undependable transport services available to this land-locked country and to its severe lack of foreign exchange, which hinders imports of even essential production goods. With domestic marketed requirements of about 650,000 tons, corn imports of 300,000 to 350,000 are required this year and in early 1980. (*Robert E. Marx*, 202-447-8966)

Latin America

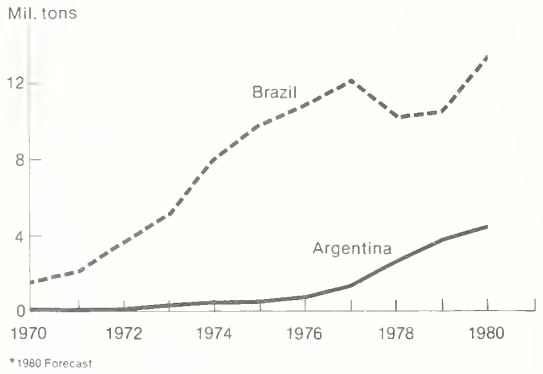
Crop Output Generally Expected To Rebound

The agricultural outlook in Latin America was adversely affected by damage from heavy rains to late 1979 crops in southern Brazil and the eastern Caribbean and from serious drought in Central Mexico. Recurrence of dry conditions may also limit water supplies for planting 1980 crops in some irrigated coastal areas of Peru and Ecuador. However, rains have maintained good crop and pasture conditions through Central America, Chile, and the North Andean areas and have provided excellent moisture for the planting of grains, oilseeds, cotton, and other 1980 crops in Argentina, Brazil, and bordering areas in South America.

The current situation indicates very little change in Latin American coffee production in 1980 despite the June 1979 frosts in Brazil, and sugar output may continue to decline. General reduction of cattle herds will likely result in 1980 beef production continuing below the 1977 peak of about 8.7 million tons. However, oilseed harvests are expected to exceed previous records based upon further soybean expansion, and a moderate recovery is anticipated for cotton output. Forecasts for 1980 total grain production have been raised, partly because of expected recovery in Brazil's harvests.

Agricultural trade earnings will reflect the general limitations upon supplies of coffee, sugar, grains, and livestock products in the principal exporting countries, and gains will depend largely upon increases in prices and on expansion in sales of cotton, oilseeds, and related products. Wheat and oilseed imports may increase at a slower rate in the coming year because of increased production in Chile and Mexico. Imports of feed grains may also be restricted by production recovery in Brazil and Central America, but growing demand associated with expansion of poultry feeding may tend to stimulate imports by other Latin American countries.

Soybean Production, Brazil and Argentina*



USDA Neg. ESCS 205-79(12)

Argentina's 1979/80 wheat harvest is estimated at 7.8 million tons, down slightly from 8.1 million a year earlier. The 1980 corn crop is forecast to increase from 9 million tons to 9.4 million based on improved moisture conditions. Some further decline is expected for plantings of sorghum and other cereals, and total 1979/80 grain production is forecast down about 2 percent from the previous year's 25.6 million tons. Further gains are in prospect for 1980 oilseed crops with soybeans expected to rise from 3.8 million tons to 4.5 million or more and a significant recovery is anticipated for sunflowerseed, cottonseed, and flaxseed. However, reductions in cattle herds will likely result in a further decline in beef production and exports in the year ahead.

Brazil's prospects for continued recovery in coffee were reduced by June 1979 frosts which damaged new trees in some of the main producing areas, and the May-September 1980 harvest is forecast about 5 percent below 1979. The late 1979 wheat crop was badly damaged by heavy rains, and the official government forecast for a harvest of 4.1 to 4.5 million tons have been reduced sharply to 2.5 million. A further recovery is anticipated for soybeans, corn, rice, and cotton, and 1980 harvests are expected to be at near-record levels. Rising consumption and the need to rebuild stocks will likely limit Brazilian exports, particularly of corn and rice, during 1980.

Mexican prospects for late 1979 harvests were reduced sharply by early frosts and continuation of unusually dry conditions through the important central region and production of corn, sorghum, beans and other rainfed food crops may fall significantly below year-earlier levels. Reportedly, grazing lands were heavily damaged, which has increased pressure to liberalize government restrictions on export of feeder cattle and beef. The purpose of the export restriction program is to increase Mexican cattle herds and domestic meat supplies. However, an abundance of irrigation water in Northern Mexico prompted farmers to

increase soybean plantings this year and the recent harvest is estimated at a record near 600,000 tons. The government recently increased the wheat support price by 18 percent in an effort to increase production and the spring 1980 harvest is expected to recover from the low 1979 volume of 2.1 million tons.

In *Other Latin America*, torrential rains and winds resulted in severe damage to growing crops including coffee and cocoa in the East Caribbean islands, particularly in the Dominican Republic and Cuba where the incidence of rust in some surgarcane areas may contribute to lower 1979/80 yields. Irrigation water supplies are reported significantly below reduced levels of a year earlier in the irrigated coastal areas of Peru. The agricultural outlook is considered favorable in other areas of the Caribbean and the Andes regions, but improved growing conditions may be offset by labor and other problems related to political and economic changes in some Central American countries. (*Howard L. Hall*, 202-447-8133)

WORLD FOOD AND TRADE POLICY DEVELOPMENTS

U.S. Feed Grain Program Announced

Expected record feed grain exports in the current crop year and the prospect of a decline in domestic stocks were factors considered in the decision to remove set-aside and diversion provisions from the feed grain program for the 1980 crop. The October 22 announcement parallels the 1980 wheat program, released August 1, which also has neither set-aside nor diversion provisions. To be eligible for full target price protection on their 1980 crops, wheat and feed grain producers must limit their planting to acreage considered planted and set-aside for this year's crop. Growers exceeding this acreage will be subject to the allocation factor which can reduce target price coverage as much as 20 percent. Price support loan for 1980 feed grains and soybeans will be no less than current levels: corn, $78.73 per ton; sorghum, $74.80; barley, $74.87; oats, $70.96, and soybeans, $165.34. Market prices that will "release" feed grain from the farmer-owned reserve continue at the following levels: corn, $98.42 per ton; sorghum, $93.70; barley, $93.70, and oats, $88.87.

Trade Notes

Nicaragua may resume meat exports to the United States following USDA inspections of the country's meat plants and a full review of its inspection program. The rate of residue sampling will be doubled until USDA is assured that the Nicaraguan inspection program is adequate to control residues. Meat imports from Nicaragua were halted in mid-June because USDA officials were unable to inspect the country's seven meat plants. U.S. embassy officials in Nicaragua had informed USDA that it was unsafe to travel in the country because of civil unrest. In early August, USDA rejected over 3.5 million pounds of Nicaraguan beef because it contained unlawful levels of pesticides.

On October 22, Canada announced an automatic surtax system for imports of the following horticultural products: fresh sweet cherries, fresh and frozen sour cherries, fresh and frozen strawberries, fresh peaches, lettuce, fresh potatoes, and sweet cherries and strawberries in preservatives. When the U.S. price of these exports falls below a specified percentage of a moving 3-year monthly or 5-year average, the Government of Canada must decide within 7 days whether or not to apply a surtax. Other horticultural products are eligible for this surtax protection, which is available only when in-season duties are in effect, if the Canadian Government receives a documented request. U.S. officials are watching the new system closely to determine its effects on U.S. exports and will be ready to request that the system be dismantled or the United States compensated if the new procedures illegally impede U.S. exports.

On October 23 the U.S. House of Representatives rejected the Sugar Bill by a vote of 158 for and 249 against the measure. The bill, H.R. 2172, would have implemented the International Sugar Agreement (ISA) and a domestic sugar program. Since then, however, the Senate has consented to ratification of the ISA and the House Ways and Means Committee has approved implementing legislation. Action is pending in the House.

The White House announced on October 26 that the U.S. and Canadian Governments agreed to extend the 1979 navigation clearance deadline in the St. Lawrence Seaway from midnight December 15 to midnight December 18. The 3-day extension was designed to help reduce the backlog of grain awaiting shipment from Great Lakes ports. The backlog developed this fall due to a bumper wheat crop and unprecedented export demand which severely strained the Nation's grain transportation system. Then 2 months of labor strife at the Port of Duluth in Minnesota disrupted grain shipments and slowed total grain exports by as much as 10 million bushels a week.

The U.S. Treasury Department announced on October 30 a tenative finding that five types of fresh winter vegetables from Mexico are not being sold at "less than fair value" within the meaning of the antidumping act of 1921. The finding

addresses an antidumping petition filed by Florida vegetable growers in September 1978. The petition was withdrawn for 90 days beginning in July 1979 to permit negotiations between the United States and Mexico concerning trade in these and other products, and was refiled when no agreement was reached during that time. Subsequently a trade agreement was negotiated October 26 and is being finalized. The vegetables involved are tomatoes, cucumbers, eggplant, peppers, and squash. The Florida vegetable growers are appealing the decision. (*Cecil Davison*, 202-447-8915)

Table 2--Economic Aggregates in Major Developed Countries

	Money Market Rates		Changes in Consumer Price Index		Changes in Retail Sales 2/	
	Early November	1 Year Earlier	Last 3 months 1/	1 Year Earlier	Last 3 months	1 Year Earlier
	Percent					
United States	14.3	10.0	13.1	12.1	-5.1	-1.5
Japan	7.5	3.8	8.1	3.1	-1.0	-44.6
Canada	14.4	10.3	10.2	8.9	4.4	1.3
Germany	9.7	3.8	6.8	5.7	-7.4	0.6
United Kingdom	14.8	11.5	35.1	16.5	-18.1	1.3
France	12.1	7.0	13.4	11.0	-6.6	-2.6

1/ Average for last 3 months compared with average for previous 3 months, seasonally adjusted at annual rate. Data end in September 1979, except for Germany (October) and Canada (June).

2/ Change in retail sales in constant prices at an average annual growth rate from the most recent monthly data (May to September 1979).

Table 3--Foreign currency units per U.S. dollar

Period	German mark	Japanese yen	British pound	Dutch guilder	Canadian dollar
Average 1977	2.322	268.5	.5729	2,454	1,064
1978:					
January	2.118	241.1	.5170	2.270	1.101
Fenruary	2.076	240.3	.5155	2.226	1.113
March	2.034	231.5	.5241	2.175	1.126
April	2.040	221.7	.5403	2.181	1.142
May	2.106	226.4	.5502	2.255	1.119
June	2.084	214.3	.5447	2.235	1.122
July	2.054	199.9	.5276	2.217	1.125
August	1.996	188.5	.5149	2.163	1.140
September	1.971	190.2	.5108	2.141	1.167
October	1.844	184.1	.4984	2.005	1.183
November	1.898	191.4	.5093	2.053	1.173
December	1.882	196.3	.5043	2.041	1.180
Average 1978	2.009	210.5	.5214	2.164	1.141
1979:					
January	1.847	197.7	.4987	1.995	1.190
February	1.856	200.6	.4990	2.006	1.196
March	1.860	206.1	.4907	2.009	1.174
April	1.894	216.1	.4823	2.047	1.146
May	1.908	218.2	.4862	2.078	1.156
June	1.883	218.9	.4739	2.067	1.172
July	1.824	216.4	.4425	2.007	1.163
August	1.829	217.9	.4468	2.008	1.170
September	1.792	222.2	.4551	1.973	1.165
October	1.788	230.4	.4664	1.983	1.175
November	1.769	244.9	.4682	1.971	1.179

Table 4--Index of Cost of U.S. Dollars to U.S. Markets
(April 1971 = 100)

Year	Total Agricultural Exports	Wheat	Soybeans	Cotton	Corn
October 1976	93.51	128.99	75.72	103.42	91.93
November	95.58	132.22	77.69	106.32	94.16
December	96.28	134.48	77.92	107.92	94.53
January 1979	97.23	136.49	77.25	109.13	95.33
February	97.86	138.45	77.53	109.03	96.08
March	98.35	140.48	77.88	109.55	96.73
April	99.25	142.89	78.79	110.29	98.00
May	100.15	145.66	79.20	110.71	98.92
June	100.28	147.36	78.96	110.68	98.85
July	98.72	146.79	77.34	109.00	97.12
August	100.25	152.69	77.59	108.76	97.73
September	100.77	156.06	77.39	107.70	98.04
October	101.16	155.46	78.21	110.13	99.76

Source: USDA indices based on IMF monthly and Wall Street Journal daily exchange rates.

Table 5--U.S. price changes at the farm, foreign trade, and consumer levels, III quarter, 1978 to 1979

	Wheat	Corn	Soybeans	Rice	Coffee	Sugar	Cocoa Beans	Beef	Total Index
	Percent change								
Price received by farmers	+33.1	+24.8	+13.2	+12.7	--	--	--	+28.5	+12.3
Export unit value	+25.0	+18.3	+13.5	-6.0	--	--	--	--	+17.4
Import unit value	--	--	--	--	+10.8	+10.3	+6.4	+39.1	+16.9
Consumer price	+10.1 1/	--	+6.9 2/	--	+3.4 3/	+7.4	--	+21.8	+10.0

1/ Bread and bakery products.
2/ Fats and oils.
3/ Roasted coffee.

Table 6-- Prices received by farmers for selected commodities, changes in 1979 from the same quarter a year earlier

	Quarter	Beef	Pork	Broilers	Eggs	Milk	Wheat	Corn	Rice	Barley	Soybeans	Potatoes	Index of prices received by farmers
		Percent change											
United States	II 1979	+41.7	-8.4	+3.7	+10.7	+14.5	+17.4	+4.0	-14.4	+3.4	+7.8	-22.7	+15.0
	III 1979	+28.5	-21.2	-16.1	+3.7	+14.0	+33.1	+24.8	+12.7	+18.8	+13.2	-30.8	+12.3
Japan	III 1979	+20.0	-10.8	-3.9	-.5	+.1	+2.5	---	-10.7	+2.4	---	+6.0	-.5
EC-9	II 1979	+5.5	+.3	+6.9	-1.9	+5.6	+2.6	+2.7	---	+7.8	---	+24.0	+6.1

Table 7--Export and import unit values of selected commodities, changes from the same quarter a year earlier

Commodity	United States	Japan	West Germany	Canada
	-- Percent Change --			
	1979 2nd Qtr.	1979 3rd Qtr.	1979 3rd Qtr.	1979 3rd Qtr.	1979 3rd Qtr.
Wheat	+13.1 (X)	+25.0 (X)	+9.1 (I)	+14.1 (I)	+41.2 (X)
Corn	+2.6 (X)	+18.3 (X)	+9.7 (I)	+9.1 (I)	+12.0 (X)
Soybeans	+4.6 (X)	+13.5 (X)	+16.0 (I)	-1.0 (I)	+16.4 (I)
Soybean oil	+8.3 (X)	+9.1 (X)	---	+1.0 (I)	+8.0 (I)
Soybean meal	+9.1 (X)	+15.5 (X)	---	+2.2 (I)	+20.5 (I)
Cotton	+8.6 (X)	+7.9 (X)	+22.5 (I)	+3.8 (I)	+25.1 (I)
Tobacco	+7.9 (X)	+2.5 (X)	+24.1 (I)	-19.2 (I)	+19.6 (X)
Rice	-18.2 (X)	-6.0 (X)	---	-14.9 (I)	+19.7 (I)
Coffee	-20.7 (I)	+10.8 (I)	-.7 (I)	-6.1 (I)	+12.8 (I)
Sugar	-10.0 (I)	+10.3 (I)	-3.7 (I)	-39.0 (I)	+12.6 (I)
Cocoa beans	+10.2 (I)	+6.4 (I)	+6.0 (I)	-10.1 (I)	+9.9 (I)
Beef	+56.0 (I)	+39.1 (I)	+20.3 (I)	-5.3 (I)	+14.0 (X)
Natural rubber	+31.8 (I)	+39.3 (I)	+47.3 (I)	+12.8 (I)	+45.5 (I)
Unit value index:					
Export	+7.9	+17.4	+7.6	-2.2	+26.7
Import	+8.3	+16.9	+23.8	-7.5	+8.0

I = Import unit value

X = Export unit value

Table 8--U.S.: Nominal and deflated farm prices for wheat, corn and soybeans 1/

	Wheat		Corn		Soybeans	
	Nominal	Deflated	Nominal	Deflated	Nominal	Deflated
	$/bushel					
1960/61	1.74	1.95	1.00	1.12	2.13	2.38
1961/62	1.83	2.03	1.10	1.22	2.28	2.53
1962/63	2.04	2.24	1.12	1.22	2.34	2.56
1963/64	1.85	2.00	1.11	1.20	2.51	2.71
1964/65	1.37	1.46	1.17	1.24	2.62	2.79
1965/66	1.35	1.41	1.16	1.20	2.54	2.64
1966/67	1.63	1.66	1.24	1.25	2.75	2.78
1967/68	1.39	1.37	1.03	1.00	2.49	2.43
1968/69	1.24	1.17	1.08	1.00	2.43	2.25
1969/70	1.25	1.11	1.16	1.01	2.35	2.06
1970/71	1.33	1.12	1.33	1.11	2.85	2.38
1971/72	1.34	1.09	1.08	.87	3.03	2.45
1972/73	1.76	1.38	1.57	1.20	4.37	3.37
1973/74	3.95	2.85	2.55	1.78	5.68	3.99
1974/75	4.09	2.66	3.02	1.91	6.64	4.22
1975/76	3.56	2.15	2.54	1.51	4.92	2.93
1976/77	2.73	1.56	2.15	1.20	6.81	3.83
1977/78	2.31	1.24	2.03	1.06	5.80	3.05
1978						
January	2.53	1.35	2.00	1.07	5.75	3.07
February	2.59	1.37	2.03	1.08	5.53	2.94
March	2.67	1.41	2.15	1.13	6.20	3.27
April	2.82	1.47	2.24	1.17	6.49	3.39
May	2.82	1.46	2.29	1.18	6.77	3.50
June	2.82	1.44	2.28	1.17	6.69	3.43
July	2.80	1.42	2.13	1.08	6.39	3.25
August	2.88	1.45	2.00	1.01	6.21	3.14
September	2.92	1.47	1.98	.99	6.19	3.11
October	2.99	1.48	1.97	.98	6.26	3.11
November	3.04	1.50	2.03	1.00	6.39	3.16
December	3.01	1.48	2.09	1.03	6.51	3.20
1979						
January	2.99	1.46	2.11	1.03	6.58	3.21
February	2.99	1.44	2.18	1.05	6.99	3.38
March	2.97	1.42	2.23	1.06	7.15	3.42
April	3.01	1.42	2.27	1.07	7.06	3.34
May	3.20	1.49	2.35	1.10	7.06	3.30
June	3.73	1.72	2.47	1.14	7.38	3.41
July	3.89	1.78	2.64	1.21	7.36	3.36
August	3.74	1.69	2.54	1.15	7.07	3.20
September	3.87	1.67	2.51	1.12	6.81	3.05
October	3.90	1.73	2.42	1.07	6.21	2.76

1/ Prices deflated by U.S. Consumer Price Index, where 1967 = 100.

TABLE 9.--THE FOOD COMPONENT OF THE CONSUMER PRICE INDEX IN SELECTED COUNTRIES

	1973	1974	1975	1976	1977	1978	1978 I	1978 II	1978 III	1978 IV	1979 I	1979 II
	1970=100											
ARGENTINA	359	413	1187	6632	18610	48958	31293	40428	52008	68174	97598	13070
AUSTRALIA	124	143	154	173	193	212	202	209	214	221	228	0
AUSTRIA	118	128	136	144	154	159	156	159	161	159	162	162
BANGALADESH	147	248	300	242	266	285	280	286	295	304	313	0
BELGIUM	117	128	143	160	169	172	174	170	172	171	173	170
BRAZIL	120	154	199	267	372	523	445	487	552	605	652	715
CANADA	125	145	164	168	182	210	197	209	218	217	228	237
COLOMBIA	169	215	281	329	448	508	474	536	504	511	564	619
CZECHOSLOVAKIA	100	100	100	100	102	104	104	104	104	106	105	0
DENMARK	131	147	163	181	202	222	216	219	222	230	299	0
ECUADOR	142	188	223	245	283	312	302	304	316	326	334	0
EGYPT	140	135	152	174	198	218	209	223	218	222	226	201
ETHIOPIA	99	108	113	160	186	222	205	229	227	227	238	256
FRANCE	126	141	158	175	197	212	205	210	214	218	222	227
GERMANY, WEST	118	124	130	137	144	145	147	147	145	143	146	148
GREECE	133	169	189	215	246	281	276	290	273	280	319	335
INDIA	131	171	179	156	172	173	175	171	175	179	171	173
INDONESIA	162	229	277	338	372	403	396	403	402	409	431	458
IRAN	124	144	161	172	205	0	236	256	236	0	0	0
IRELAND	146	160	195	227	264	290	275	284	299	303	325	331
ISRAEL	149	215	314	402	570	834	743	785	833	973	1099	1283
ITALY	124	146	172	202	241	272	259	267	276	273	291	302
JAPAN	124	159	180	196	209	216	211	212	219	218	217	220
JORDAN	140	189	219	251	286	297	300	288	294	304	309	300
KOREA	138	178	233	274	306	357	335	344	367	380	394	407
LIBERIA	118	149	172	172	188	210	197	189	219	219	228	0
MALAWI	124	144	172	176	179	191	201	194	180	190	208	0
MALAYSIA	121	154	159	162	171	179	176	177	182	182	181	182
MEXICO	126	164	184	208	267	311	292	304	321	327	208	0
NETHERLANDS	120	129	139	153	163	161	161	161	162	161	163	165
NEW ZEALAND	127	142	157	186	218	241	230	238	247	253	256	281
NIGER	144	148	160	201	255	273	264	266	280	279	268	280
NIGERIA	120	150	214	266	358	0	414	0	0	0	0	0
PAKISTAN	131	171	209	222	247	260	253	255	267	266	266	272
PARAGUAY	147	183	192	200	222	251	235	239	253	276	297	0
PERU	126	150	199	263	369	590	417	441	635	709	833	0
PHILIPPINES	182	244	247	281	309	269	326	326	208	214	220	0
PORTUGAL	131	173	214	264	345	402	368	393	407	439	471	515
SOUTH AFRICA	129	149	171	184	203	229	218	220	235	243	249	255
SPAIN	132	152	177	211	261	310	291	298	324	324	329	0
SRI LANKA	122	139	150	148	149	174	162	172	179	183	184	186
SWEDEN	126	134	150	169	193	212	211	211	212	213	218	220
THAILAND	122	157	164	173	193	211	203	206	214	218	213	220
TURKEY	152	181	235	277	294	524	451	501	563	581	631	712
UNITED KINGDOM	139	164	206	247	294	315	305	315	319	322	338	348
UNITED STATES	123	141	153	157	167	180	171	179	183	185	193	199
URUGUAY	489	844	1442	2128	3491	5045	4172	1690	5329	5911	6779	0
VENEZUELA	117	132	151	164	185	202	195	199	205	208	212	218
YUGOSLAVIA	169	196	244	278	335	386	372	382	386	396	432	465
ZAIRE	155	200	261	513	873	1423	1117	1292	1112	1845	2312	2670
ZAMBIA	119	103	145	177	209	0	221	232	257	248	259	262

1/ 1972=100.
SOURCE: INTERNATIONAL LABOR OFFICE, BULLETIN OF LABOR STATISTICS.

TABLE 1--CONSUMER PRICES FOR FOOD, CHANGES IN 1979 FROM THE SAME QUARTER of 1978.

COUNTRY	QUARTER	PERCENT CHANGE
ARGENTINA	II	179.7
AUSTRALIA	I	12.9
AUSTRIA	II	1.9
BANGLADESH	I	11.8
BELGIUM	II	0.0
BRAZIL	II	46.8
CANADA	II	13.4
COLUMBIA	II	15.5
CZECHOSLOVAKIA	I	1.0
DENMARK	I	38.4
ECUADOR	I	10.6
EGYPT	II	-9.9
ETHIOPIA	II	11.8
FRANCE	II	8.1
GERMANY, WEST	II	0.7
GREECE	II	15.5
INDIA	II	1.2
INDONESIA	II	13.6
IRAN	II	-
IRELAND	II	16.5
ISRAEL	II	63.4
ITALY	II	13.1
JAPAN	II	3.8
JORDAN	II	4.2
KOREA	II	18.3
LIBERIA	I	15.7
MALAWI	I	3.5
MALAYSIA	II	2.8
MEXICO	II	-
NETHERLANDS	II	2.5
NEW ZEALAND	II	18.1
NIGER	II	5.3
NIGERIA	II	-
PAKISTAN	II	6.7
PARAGUAY	I	26.4
PERU	I	99.8
PHILIPPINES	I	5.2
PORTUGAL	II	31.0
SOUTH AFRICA	II	15.9
SPAIN	I	13.1
SRI LANKA	II	8.1
SWEDEN	II	4.3
THAILAND	II	6.8
TURKEY	II	42.1
UNITED KINGDOM	II	10.5
UNITED STATES	II	11.2
URUGUAY	I	62.5
VENEZUELA	II	9.5
YUGOSLAVIA	II	21.7
ZAIRE	II	106.7
ZAMBIA	II	12.9

Table 11--World fertilizer supply capability, consumption and balance, 1977/78 to 1983/84 1/

Item	Reported 1977/78 2/	Estimate 1978/79	Forecast 1979/80	Forecast 1980/81	Forecast 1981/82	Forecast 1982/83	Forecast 1983/84
	--Million metric tons nutrient--						
Nitrogen, N:							
Supply	49.61	51.76	57.05	61.07	64.92	68.31	70.27
Consumption	47.77	51.76	54.94	58.10	61.20	64.21	67.22
Balance	1.84	---	2.11	2.97	3.72	4.10	3.05
Phosphate, P_2O_5:							
Supply	30.01	32.68	33.93	35.56	37.37	39.24	40.36
Consumption	28.28	30.00	31.78	33.56	35.36	37.13	38.76
Balance	1.73	2.68	2.15	2.00	2.01	2.11	1.60
Potash, K_2O:							
Supply	25.76	27.03	28.18	29.33	30.08	31.49	33.39
Consumption	23.31	25.18	26.42	27.69	28.98	30.46	31.99
Balance	2.45	1.85	1.76	1.64	1.10	1.03	1.40

1/Supply capability figures are derived by adjusting rated plant capacities to reflect effective operating rates, non-fertilizer uses and processing, transportation, and distribution losses.

2/Actual production and consumption reported to FAO.

Source: FOA Monthly Bulletin of Statistics, April 1979 for 1977/78. Forecasts for 1979/80-1983/84 are preliminary estimates made by FAO/UNIDO/World Bank Fertilizer Working Group, June 1979.

Table 12--U.S. agricultural exports: Value by commodity, fiscal years 1977-1980

Commodity	1977	1978	1979	Forecast 1980
	--Billion dollars--			
Grain and feed	10.124	11.711	13.634	18.5
Oilseeds and products	6.403	7.453	8.692	9.1
Cotton, including linters	1.538	1.707	1.910	2.1
Tobacco	1.065	1.132	1.292	1.4
Fruits, nuts, and vegetables	1.649	1.880	2.066	2.5
Sugar and tropical products	.531	.580	.740	.7
Livestock and products	2.191	2.352	3.160	3.2
Dairy products	.171	.159	.120	.1
Poultry products	.301	.332	.368	.4
Total	23.974	27.306	31.983	38.0

Table 13--U.S. agricultural exports: Volume by commodity, fiscal years 1977-1980 1/

Commodity	1977	1978	1979	Forecast 1980
	--Million metric tons--			
Wheat	23.766	31.813	31.340	37.0
Wheat flour	.957	1.021	.877	1.0
Feed grains	50.602	55.545	59.499	71.1
Rice	2.319	2.276	2.397	2.5
Other grain products	.690	.775	.861	1.0
Feeds and fodders	3.990	3.603	4.304	4.0
Soybeans	15.156	19.686	20.194	22.5
Soybean meal	4.117	5.516	5.996	6.4
Other oilcake and meal	.147	.324	.294	.3
Soybean oil	.702	.933	1.059	1.0
Other vegetable oils	.449	.541	.460	.5
Sunflower seed	.403	.906	1.342	2.0
Cotton, including linters	1.042	1.378	1.395	1.5
Tobacco	.290	.272	.287	.3
Fruits, nuts, and vegetables	3.219	2.904	2.807	3.1
Beef, pork, and variety meats	.349	.340	.326	.3
Poultry meat	.194	.194	.208	.2
Animal fats	1.379	1.281	1.276	1.1
Other	2.095	2.562	2.574	2.5
Total	111.866	131.870	137.496	158.3

1/ Shown in actual export tonnages not converted to product equivalents. Excludes animal numbers and some commodities reported in cases, pieces, dozens, liquid measures, etc.

Table 14--World total grain production, consumption, and net exports 1/ 2/

Region	1969/70-71/72			1977/78			1978/79			1979/80		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	-- Million metric tons --											
Developed Countries	404.0	377.5	27.8	480.5	387.4	77.7	515.9	413.2	82.5	523.5	419.6	107.2
United States	208.7	168.9	38.8	262.4	161.0	85.7	271.3	178.4	91.3	291.9	180.6	111.5
Canada	34.4	22.1	15.3	42.2	21.6	19.0	41.6	22.6	16.6	36.5	23.2	17.5
EC-9	94.2	111.5	-16.3	103.9	115.2	-10.6	117.1	119.8	-6.3	113.3	120.9	-7.4
Other Western Europe	28.9	33.7	-7.9	32.1	42.4	-10.1	36.7	43.3	-8.8	33.2	44.3	-9.6
South Africa	10.1	7.1	1.4	12.7	8.8	2.9	10.1	8.8	3.0	12.9	8.9	2.7
Japan	12.7	27.9	-14.4	12.4	32.7	-22.6	12.2	34.0	-23.0	11.9	35.3	-23.4
Oceania	15.0	6.3	10.9	14.8	5.7	13.4	26.9	6.3	9.7	23.8	6.4	15.9
Centrally Planned Countries	408.7	423.9	-13.3	482.9	531.1	-34.1	542.6	559.0	-34.1	489.3	562.6	-56.6
Eastern Europe	75.1	83.2	-11.9	93.5	103.7	-10.1	96.4	109.3	-11.6	90.2	105.8	-14.9
U.S.S.R.	167.4	171.8	4.0	186.2	216.7	-16.6	227.5	221.3	-12.8	171.4	220.6	-33.2
People's Republic of China	166.2	168.9	-5.4	203.2	210.7	-7.4	218.7	228.4	-9.7	227.7	236.2	-8.5
Developing Countries	315.4	335.7	-22.5	373.3	415.8	-37.5	392.9	434.4	-41.5	375.8	432.5	-47.6
Middle America	16.1	17.3	-.9	19.0	24.4	-4.6	20.2	25.3	-5.4	19.5	25.9	-6.0
Venezuela	.8	1.8	-.9	1.4	2.7	-1.5	1.6	3.1	-1.6	1.8	3.3	-1.6
Brazil	20.4	22.0	-3.0	21.6	28.4	-2.2	24.7	30.3	-5.7	27.4	31.8	-5.6
Argentina	19.4	11.1	8.6	24.2	11.5	13.7	25.6	12.0	14.9	25.0	12.4	13.8
Other South America	6.8	8.9	-2.1	7.9	11.1	-3.0	7.9	11.4	-3.3	7.9	11.6	-3.4
North Africa/Middle East	40.4	49.4	-9.1	48.3	68.0	-19.3	53.4	73.2	-19.4	49.9	73.9	-22.5
Central America	21.3	23.0	-1.8	20.4	24.2	-4.0	21.5	25.3	-4.0	21.7	25.8	-3.9
East Africa	10.9	11.2	-.4	12.5	12.6	-.6	11.7	12.7	-.5	11.1	12.1	-.8
South Asia	119.1	123.5	-5.1	147.1	149.1	-2.6	150.6	153.1	-2.8	137.3	146.4	-2.3
Southeast Asia	25.4	23.7	2.0	27.8	26.1	1.6	30.0	26.1	3.7	30.0	26.3	3.4
East Asia	30.3	37.9	-8.4	36.8	49.7	-13.3	39.4	53.8	-15.6	38.3	55.0	-16.6
Rest of World	4.5	5.9	-1.4	6.3	8.0	-1.7	6.3	8.1	-1.8	5.9	8.0	-2.1
Total Above	1128.1	1137.1	---	1336.7	1334.3	---	1451.2	1406.5	---	1388.6	1414.7	---
World Total 3/	1128.1	1137.1	---	1336.7	1339.2	---	1451.3	1415.2	---	1388.4	1420.3	---

1/ Totals may not add due to rounding.
2/ Net exports on a July-June year.
3/ Based on F.A.S. Grain Circular, December 13, 197[illegible]

Table 15--World coarse grain production, consumption, and net exports 1/ 2/

Region	1969/70-71/72			1977/78			1978/79			1979/80		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	-- Million metric tons --											
Developed Countries	276.4	275.5	-1.0	329.4	286.4	23.7	349.1	309.2	30.3	357.7	316.9	43.4
United States	165.8	145.7	19.4	203.8	136.6	52.0	218.0	153.3	56.9	229.9	157.4	71.0
Canada	20.5	17.4	3.0	22.3	16.4	3.2	20.4	17.3	3.2	18.7	18.1	3.8
EC-9	56.7	69.9	-12.8	65.0	74.9	-9.7	68.7	78.0	-9.3	67.6	78.3	-10.4
Other Western Europe	18.6	22.5	-4.1	22.5	31.7	-9.7	25.4	32.5	-8.3	23.3	33.5	-8.8
South Africa	8.7	5.7	1.6	10.9	7.0	2.9	8.4	6.8	3.0	10.7	7.1	2.7
Japan	.7	11.1	-10.3	.2	16.8	-17.0	.4	18.1	-17.9	.5	19.0	-18.5
Oceania	5.4	3.2	2.2	4.7	3.0	2.0	7.8	3.2	2.7	7.0	3.5	3.6
Centrally Planned Countries	185.0	189.3	-3.2	226.3	249.3	-17.8	246.3	267.0	-20.7	228.7	264.5	-33.1
Eastern Europe	48.6	51.9	-2.6	59.2	66.4	-7.0	60.5	70.1	-8.7	61.7	71.5	-9.1
U.S.S.R.	73.8	74.7	-.5	92.6	108.3	-10.7	105.3	113.3	-8.9	84.0	107.5	-21.5
People's Republic of China	62.6	62.7	-.1	74.5	74.6	-.1	80.5	83.6	-3.1	83.0	85.5	-2.5
Developing Countries	132.1	127.2	5.3	148.2	154.1	-1.8	157.2	164.9	-5.4	150.7	161.2	-8.7
Middle America	13.4	13.6	-.1	15.7	19.3	-3.1	16.9	19.8	-3.3	16.3	20.3	-3.8
Venezuela	.7	.9	-.3	1.1	1.7	-.8	1.3	2.0	-.8	1.4	2.1	-.8
Brazil	14.6	14.4	1.0	14.4	16.8	.8	16.9	18.1	-1.6	19.0	18.9	-1.1
Argentina	13.3	6.5	6.7	18.3	6.9	11.0	17.2	7.7	11.5	16.9	7.9	9.8
Other South America	3.5	3.9	-.4	4.2	4.7	-.5	4.1	4.8	-.5	4.2	4.8	-.7
North Africa/Middle East	17.1	18.4	-1.2	19.6	24.6	-4.1	22.3	27.0	-4.8	20.4	26.5	-5.6
Central Africa	18.8	18.9	-.1	18.1	18.5	-.5	19.0	19.2	-.3	19.0	19.4	-.4
East Africa	9.3	9.2	-.1	10.8	10.2	.1	10.1	10.3	.2	9.4	9.7	0
South Asia	30.9	31.0	-.1	33.7	34.3	0	34.3	35.2	0	29.2	30.8	0
Southeast Asia	2.3	.6	1.8	2.6	1.4	1.2	3.8	1.7	2.1	4.1	1.8	2.2
East Asia	6.4	7.7	-1.6	7.1	13.1	-5.9	8.8	16.3	-7.6	8.2	16.4	-8.3
Rest of World	1.8	2.1	-.3	2.6	2.6	0	2.5	2.8	-.3	2.6	2.6	0
Total Above	593.7	592.0	---	703.9	689.8	---	752.5	740.9	---	737.1	742.5	---
World Total 3/	593.7	592.0	---	703.9	693.7	---	752.5	744.8	---	737.1	745.6	---

1/ Totals may not add due to rounding.
2/ Net exports on a July-June year.
3/ Based on F.A.S. Grain Circular, December 13, 1979.

Table 16--World wheat production, consumption, and net exports 1/ 2/

Region	1969/70-71/72			1977/78			1978/79			1979/80		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	-- Million metric tons --											
Developed Countries	112.1	87.8	28.8	134.8	88.0	52.2	149.5	90.8	49.7	148.5	89.3	61.5
United States	40.0	21.9	17.8	55.4	23.1	31.5	49.0	23.3	32.4	57.5	21.5	38.0
Canada	13.9	4.7	11.4	19.9	5.1	15.9	21.2	5.2	13.5	17.7	5.1	13.8
EC-9	36.9	40.9	-3.3	38.4	39.4	-.5	47.7	40.9	3.4	44.9	41.6	3.3
Other Western Europe	9.9	10.7	-.8	9.3	10.2	-.3	10.9	10.3	-.4	9.4	10.3	-.7
South Africa	1.5	1.3	-.2	1.9	1.7	.2	1.7	1.9	-.2	2.2	1.7	.5
Japan	.6	5.3	-4.7	.2	5.8	-5.7	.4	6.1	-5.7	.5	6.2	-5.4
Oceania	9.3	3.0	8.6	9.7	2.7	11.1	18.6	3.1	6.7	16.3	2.9	12.0
Centrally Planned Countries	148.8	160.5	-3.8	167.4	193.3	-17.1	201.6	198.2	-14.1	163.9	202.0	-24.1
Eastern Europe	26.3	30.9	-4.7	34.2	36.9	-2.9	35.8	38.9	-2.7	28.4	34.0	-5.6
U.S.S.R.	92.8	96.0	4.8	92.2	106.8	-5.6	120.8	106.5	-3.6	86.0	111.5	-11.5
People's Republic of China	29.7	33.6	-3.9	41.0	49.6	-8.6	45.0	52.8	-7.8	49.5	56.5	-7.0
Developing Countries	63.9	87.0	-24.0	80.6	117.5	-33.1	87.9	123.2	-32.2	90.3	129.0	-35.4
Middle America	2.1	2.9	-.8	2.4	4.1	-1.5	2.4	4.4	-1.9	2.2	4.4	-2.1
Venezuela	---	.7	-.7	0	.8	-.8	0	.9	-.9	0	.9	-.9
Brazil	1.6	3.6	-1.8	2.1	6.0	-3.1	2.7	6.5	-3.7	2.5	6.9	-4.2
Argentina	5.9	4.4	1.6	5.7	4.5	2.6	8.1	4.2	3.3	7.8	4.5	3.9
Other South America	1.9	3.8	-1.8	1.3	4.3	-2.8	1.4	4.5	-3.0	1.5	4.6	-3.0
North Africa/Middle East	20.5	28.2	-8.0	26.1	39.3	-13.7	28.3	41.9	-12.7	26.7	42.8	-14.9
Central Africa	.9	2.0	-1.1	.4	2.7	-2.3	.4	2.6	-2.1	.5	2.9	-2.4
East Africa	.3	.6	-.3	.3	.8	-.4	.3	.8	-.4	.3	.7	-.5
South Asia	30.1	33.8	-4.5	41.8	46.9	-3.4	43.7	49.5	-3.5	48.3	52.5	-3.0
Southeast Asia	.1	1.2	-1.2	.1	1.3	-1.2	.1	1.2	-1.1	.1	1.6	-1.5
East Asia	.2	4.2	-4.1	0	4.9	-5.0	0	4.9	-4.9	0	5.3	-5.3
Rest of World	.3	1.6	-1.3	.4	1.9	-1.5	.5	1.8	-1.3	.4	1.9	-1.5
Total Above	324.7	335.4	---	382.6	398.7	---	438.9	412.0	---	402.9	420.2	---
World Total 3/	324.7	335.4	---	382.6	400.3	---	438.9	415.5	---	402.9	422.3	---

1/ Totals may not add due to rounding.
2/ Net exports on a July-June year.
3/ Based on F.A.S. Grain Circular, December 13, 1979.

Table 17--World milled rice production, consumption, and net exports 1/ 2/

Region	1969/70-71/72			1977/78			1978/79			1979/80		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	-- Million metric tons --											
Developed Countries	15.56	14.21	2.10	16.3	13.0	1.9	17.4	13.4	2.5	17.0	13.6	2.8
United States	2.88	1.27	1.66	3.1	1.3	2.3	4.3	1.7	2.1	4.5	1.6	2.5
Canada	---	.05	-.05	0	.1	-.1	0	.1	-.1	0	.1	-.1
EC-9	.66	.74	-.07	.5	.9	-.4	.7	1.0	-.3	.7	1.0	-.3
Other Western Europe	.43	.47	-.06	.4	.5	-.1	.4	.5	-.1	.4	.5	-.1
South Africa	---	.07	-.07	0	.1	-.1	0	.1	-.1	0	.1	-.1
Japan	11.40	11.54	.55	11.9	10.0	0	11.5	9.9	.6	10.9	10.2	.5
Oceania	.19	.07	.14	.4	.1	.3	.5	.1	.4	.5	.1	.4
Centrally Planned Countries	74.86	74.03	.83	89.2	88.5	.8	94.7	94.0	.7	96.7	96.1	.6
Eastern Europe	.14	.37	-.22	.1	.4	-.2	.1	.4	-.3	.1	.3	-.2
U.S.S.R.	.83	1.10	-.28	1.4	1.6	-.2	1.4	1.6	-.2	1.4	1.6	-.2
People's Republic of China	73.89	72.56	1.33	87.7	86.5	1.2	93.2	92.0	1.2	95.2	94.2	1.0
Developing Countries	119.37	121.47	-1.76	144.6	144.3	-1.9	147.8	146.3	-3.4	134.8	142.3	-2.8
Middle America	.71	.80	-.09	.9	1.1	0	.9	1.1	-.1	1.0	1.1	-.1
Venezuela	.13	.11	.02	.3	.2	.1	.4	.3	.1	.4	.3	.1
Brazil	4.12	4.00	.08	5.1	5.6	.2	5.1	5.7	-.4	5.8	6.0	-.3
Argentina	.21	.14	.07	.2	.1	.1	.2	.1	.1	.2	.1	.1
Other South America	1.41	1.28	.11	2.3	2.0	.4	2.4	2.1	.2	2.2	2.1	.3
North Africa/Middle East	2.81	2.75	.04	2.5	4.0	-1.4	2.8	4.4	-1.9	2.8	4.7	-2.0
Central Africa	1.58	2.13	-.56	1.9	3.1	-1.2	2.1	3.6	-1.5	2.2	3.5	-1.1
East Africa	.14	.14	0	1.4	1.7	-.3	1.4	1.6	-.2	1.5	1.7	-.2
South Asia	58.05	58.63	-.62	71.6	67.8	.9	72.6	68.3	.7	59.8	63.2	.7
Southeast Asia	23.06	21.96	1.38	25.1	23.4	1.6	26.1	23.2	2.8	25.4	22.9	2.7
East Asia	23.74	25.92	-1.99	29.7	31.8	-2.4	30.5	32.6	-3.2	30.1	33.4	-3.1
Rest of World	3.41	3.61	-.20	3.6	3.5	.1	3.3	3.3	0	3.4	3.3	.1
Total Above	209.79	209.71	---	250.1	245.8	---	259.8	253.6	---	248.6	252.1	---
World Total 3/	209.79	209.71	---	250.2	245.2	---	259.9	254.9	---	248.4	252.4	---

1/ Totals may not add due to rounding.
2/ Net exports on a July-June year.
3/ Based on F.A.S. Grain Circular, December 13, 1979.

Table 18--Monthly prices of selected oilseeds, meals, and oils, 1977-1979 1/ 2/

Commodity	Year	Port	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Average
			$/M.T.												
Soybeans	1977	Rotterdam	287	293	328	384	371	326	252	230	205	209	236	241	280
	1978	Rotterdam	239	239	273	290	290	278	266	262	264	271	270	278	268
	1979	Rotterdam	284	298	310	300	300	322	322	302	292				
Soybean meal	1977	Rotterdam	251	248	272	316	298	253	193	174	174	179	200	200	230
	1978	Rotterdam	200	188	215	224	221	208	207	202	208	223	227	237	213
	1979	Rotterdam	235	238	241	238	240	261	246	236	238				
Soybean oil	1977	Decatur	455	493	584	653	687	630	522	464	421	410	461	500	498
	1978	Decatur	460	477	587	600	631	592	569	575	607	593	547	570	567
	1979	Decatur	566	610	614	590	581	609	644	634	659				
Copra	1977	N.W. Europe	377	396	510	526	502	433	365	318	325	333	355	388	402
	1978	N.W. Europe	380	397	435	405	417	459	452	456	525	552	574	595	470
	1979	N.W. Europe	670	691	690	728	724	725	735	690	613				
Coconut meal	1977	Hamburg	198	187	176	198	185	182	174	171	162	164	172	177	179
	1978	Hamburg	170	162	163	166	167	169	173	176	179	186	191	198	175
	1979	Hamburg	202	202	205	209	211	218	219	214	222				
Coconut oil	1977	Rotterdam	546	576	735	793	718	620	513	451	463	479	505	539	578
	1978	Rotterdam	541	561	650	600	596	646	644	657	778	805	835	886	683
	1979	Rotterdam	966	981	986	1062	1056	1062	1095	1002	905				
Peanuts	1977	UK	529	547	555	582	606	635	n.q. 3/	540	480	468	492	544	543
	1978	UK	562	558	557	635	660	667	634	615	638	654	645	628	621
	1979	UK	636	621	605	628	597	540	580	560	535				
Peanut oil	1977	Rotterdam	849	856	871	881	897	848	804	807	773	794	852	917	846
	1978	Rotterdam	956	910	1020	1127	1128	1106	1042	1044	1210	1194	1191	1022	1079
	1979	Rotterdam	976	969	972	970	925	893	913	867	872				
Rapeseed	1977	N.W. Europe	293	306	326	372	374	342	290	266	279	292	303	302	312
	1978	N.W. Europe	294	298	319	330	n.q. 3/	321	287	258	274	286	297	299	297
	1979	N.W. Europe	284	306	317	300	304	318	324	327	326				
Fishmeal	1977	Hamburg	467	452	442	484	506	477	447	382	408	456	462	464	454
	1978	Hamburg	452	434	434	416	410	408	401	405	387	384	398	390	410
	1979	Hamburg	381	382	381	366	368	393	415	400	394				
Palm oil	1977	N.W. Europe	462	507	598	647	659	619	520	493	460	450	445	501	530
	1978	N.W. Europe	514	558	598	603	624	654	622	585	615	623	604	604	600
	1979	N.W. Europe	636	694	688	666	665	675	678	652	640				

1/ All prices c.i.f. European ports except soybean oil which is f.o.b. Decatur
2/ Source: Oil World; various issues.
3/ No quote

Table 19. -- Milk: Production In Specified Countries, Average 1970-74, Annual 1975-79

(In thousands of metric tons)

REGION AND COUNTRY	AVERAGE 1970/74	1975	1976	1977 1/	1978 2/	1979 3/
NORTH AMERICA:						
CANADA	7,935	7,744	7,685	7,743	7,411	7,570
MEXICO	5,986	6,619	6,350	6,634	6,970	6,960
UNITED STATES	53,213	52,312	54,554	55,655	55,306	55,974
TOTAL	67,134	66,675	68,589	70,032	69,687	70,504
SOUTH AMERICA:						
ARGENTINA	5,202	5,646	5,625	5,303	5,331	5,150
BRAZIL	6,865	8,849	9,296	9,539	10,780	10,800
CHILE	1,005	956	1,022	1,003	960	880
PERU	610	634	640	630	635	645
VENEZUELA	1,013	1,187	1,157	1,206	1,267	1,274
TOTAL	14,695	17,272	17,740	17,681	18,973	18,749
EUROPE:						
BELGIUM-LUXEMBOURG	3,894	3,869	3,843	3,778	3,926	3,900
DENMARK	4,704	4,918	5,045	5,139	5,324	5,375
FRANCE	29,598	30,910	30,801	31,478	31,730	32,200
GERMANY, FEDERAL REP OF	21,457	21,604	22,165	22,523	23,291	23,450
IRELAND	3,365	3,689	3,959	4,262	4,717	5,087
ITALY	9,975	10,032	10,233	10,515	10,880	11,120
NETHERLANDS	8,970	10,221	10,490	10,612	11,364	11,600
UNITED KINGDOM	13,431	13,520	13,500	14,503	15,176	15,700
TOTAL EC	95,394	98,763	100,036	102,810	106,408	108,432
AUSTRIA	3,311	3,253	3,277	3,333	3,357	3,380
FINLAND	3,229	3,164	3,278	3,231	3,225	3,255
GREECE	1,477	1,692	1,704	1,733	1,696	1,700
NORWAY	1,794	1,834	1,898	1,860	1,838	1,861
PORTUGAL	593	671	707	674	702	708
SPAIN	5,100	5,504	5,726	5,877	6,100	6,345
SWEDEN	2,972	3,168	3,247	3,249	3,298	3,384
SWITZERLAND	3,251	3,396	3,473	3,511	3,542	3,574
TOTAL WESTERN EUROPE	117,122	121,445	123,346	126,278	130,166	132,639
CZECHOSLOVAKIA	5,014	5,298	5,238	5,363	5,472	5,370
GERMAN, DEMOCRATIC REP	7,631	8,127	8,118	8,059	8,363	8,420
HUNGARY	1,834	1,920	1,873	2,078	2,200	2,230
POLAND	16,096	16,749	16,893	17,313	17,420	17,420
YUGOSLAVIA	3,004	3,688	3,874	4,078	4,179	4,130
TOTAL EASTERN EUROPE	33,580	35,782	35,996	36,891	37,634	37,570
TOTAL EUROPE	150,701	157,227	159,342	163,169	167,800	170,209
SOVIET UNION	85,896	90,800	89,200	94,665	94,500	91,500
AFRICA:						
SOUTH AFRICA	2,814	2,407	2,475	2,503	2,251	2,300
ASIA:						
CHINA, PEOPLES REP	4,743	5,416	5,619	5,682	5,751	5,825
INDIA	22,808	24,000	24,300	24,400	25,000	25,700
JAPAN	4,859	4,961	5,262	5,735	6,125	6,450
TOTAL	32,410	34,377	35,181	35,817	36,876	37,975
OCEANIA:						
AUSTRALIA 4/	7,335	6,670	6,421	5,933	5,311	5,900
NEW ZEALAND 5/	5,985	5,909	6,359	6,635	6,069	6,566
TOTAL	13,320	12,579	12,780	12,568	11,380	12,466
GRAND TOTAL	366,971	381,337	385,307	396,435	401,467	403,703

NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING
1/ REVISED. 2/ PRELIMINARY. 3/ FORECAST 4/ YEAR ENDING JUNE 30. 5/ YEAR ENDING MAY 31.

SOURCE: PREPARED OR ESTIMATED ON THE BASIS OF OFFICIAL STATISTICS OF FOREIGN GOVERNMENTS, OTHER FOREIGN SOURCE MATERIALS, REPORTS OF U. S. AGRICULTURAL ATTACHES AND FOREIGN SERVICE OFFICERS, RESULTS OF OFFICE RESEARCH AND RELATED INFORMATION.

DAIRY, LIVESTOCK AND POULTRY DIVISION
COMMODITY PROGRAMS, FAS, USDA

Table 20--World cotton production, trade, and mill consumption, annual 1976/77-1979/80

Country	Production				Exports			
	1976/77	1977/78	1978/79 1/	1979/80 2/	1976/77	1977/78	1978/79 1/	1979/80 2/
	--Million 480-lb. bales--							
United States	10.6	14.4	10.9	14.5	4.8	5.5	6.2	7.0
USSR	12.0	12.7	12.3	13.0	4.3	4.2	3.8	4.1
China, People's Republic	10.0	9.4	10.0	9.8	0.2	0.1	0.1	---
India	5.0	5.6	6.3	5.8	---	---	0.2	0.4
Pakistan	1.9	2.5	2.1	2.9	0.1	0.5	0.2	0.8
Brazil	2.5	2.2	2.6	2.7	0.1	0.2	0.1	0.2
Egypt	1.8	1.8	2.0	2.2	0.6	0.6	0.7	0.9
Turkey	2.2	2.6	2.2	2.2	0.6	1.2	1.0	0.8
Mexico	1.0	1.6	1.5	1.5	0.5	0.6	0.9	0.8
Central America	1.7	1.7	1.6	1.2	1.5	1.5	1.5	1.1
Sudan	0.7	0.8	0.6	0.8	0.6	0.6	0.6	0.7
EC9	---	---	---	---	0.2	0.2	0.2	0.1
Eastern Europe	0.1	0.1	0.1	0.1	---	---	---	---
Japan	---	---	---	---	0.1	---	---	---
Hong Kong	---	---	---	---	0.1	0.1	0.1	---
Taiwan	---	---	---	---	---	---	---	---
Korea, Republic of	---	---	---	---	---	---	---	---
Other	7.9	8.5	7.6	7.5	3.9	3.8	3.9	3.7
World total	57.4	63.9	59.8	64.2	17.6	19.1	19.5	20.6

Country	Imports				Consumption			
	1976/77	1977/78	1978/79 1/	1979/80 2/	1976/77	1977/78	1978/79 1/	1979/80 2/
United States	---	---	---	---	6.7	6.5	6.4	6.3
USSR	0.5	0.4	0.3	0.3	9.0	9.0	9.0	9.1
China, People's Republic	0.7	1.6	2.3	3.0	11.4	12.1	12.4	12.7
India	0.4	0.3	---	---	5.7	5.5	5.7	5.8
Pakistan	---	---	---	---	1.8	1.9	2.0	2.0
Brazil	---	---	---	---	2.1	2.2	2.4	2.5
Egypt	0.1	0.1	0.1	0.1	1.2	1.3	1.3	1.4
Turkey	---	---	---	---	1.5	1.2	1.4	1.4
Mexico	---	---	---	---	0.7	0.7	0.8	0.8
Central America	---	---	---	---	0.2	0.2	0.1	0.1
Sudan	---	---	---	---	0.1	0.1	0.1	0.1
EC9	3.6	3.6	3.3	3.4	3.2	3.2	3.2	3.1
Eastern Europe	3.2	3.5	3.3	3.3	3.1	3.3	3.4	3.4
Japan	3.0	3.2	3.4	3.2	3.1	3.1	3.3	3.2
Hong Kong	1.0	1.0	0.8	0.9	0.9	1.0	0.9	0.9
Taiwan	0.8	1.1	1.1	1.0	1.0	1.0	1.1	1.0
Korea, Republic of	0.9	1.3	1.3	1.4	1.0	1.2	1.2	1.3
Other	3.8	3.8	4.1	4.0	8.3	7.7	8.1	8.4
World total	18.0	19.9	20.0	20.6	60.9	61.2	62.8	63.5

1/Estimated. 2/Forecast. Source: Foreign Agricultural Service.

Table 21--United States cotton exports by destination, average 1971-75 and annual 1975/76-78/79 1/

Country	Average 1971-75	1975/76	1976/77	1977/78	1978/79
	-- 1,000 running bales 2/ --				
Bangladesh	78	138	113	42	107
Canada	227	131	187	214	214
China, People's Republic	332	8	---	414	606
China, Republic of (Taiwan)	415	507	436	490	431
European Community	(383)	(112)	(263)	(312)	(405)
France	69	23	45	80	61
Germany, Federal Republic	83	11	36	65	92
Italy	113	53	85	77	136
United Kingdom	52	10	66	59	68
Other	66	15	31	31	48
Hong Kong	159	126	358	479	402
India	20	---	273	---	---
Indonesia	192	233	191	223	225
Japan	936	646	973	1,028	1,276
Korea, South	661	893	913	1,172	1,209
Philippines	130	106	88	98	116
Poland	36	32	8	34	70
Romania	50	---	17	32	50
Spain	51	17	86	64	62
Switzerland	57	29	76	105	86
Thailand	138	71	165	161	229
Other	317	129	418	351	362
World	4,181	3,178	4,565	5,219	5,850

1/ Year beginning August 1.
2/ Running bales weigh approximately 500 pounds.

Source: Foreign Agricultural Service.

Table 22--World centrifugal sugar production by regions and major countries, average 1969/70-1971/72 and annual 1977/78-1979/80

Country and region	Production			
	1969/70-71/72	1977/78	1978/79 2/	1979/80 3/
	1,000 metric tons			
North America	17,516	19,229	19,330	18,514
Canada	127	147	125	114
United States 1/	5,587	5,436	5,562	5,144
Cuba	6,382	7,200	7,000	6,500
Dominican Republic	1,073	1,164	1,190	1,200
Mexico	2,466	3,029	3,058	3,100
Other North America	1,881	2,256	2,525	2,456
South America	9,133	13,884	12,526	11,847
Argentina	956	1,665	1,387	1,400
Brazil	5,119	8,863	7,758	6,950
Other South America	3,058	3,351	3,331	3,497
Western Europe	11,074	14,684	14,707	14,376
EC-9	9,318	12,190	12,335	12,277
Other Western Europe	1,756	2,495	2,361	2,099
Eastern Europe	4,232	5,637	5,647	5,688
USSR	8,592	8,825	9,000	8,500
Africa	4,729	6,172	6,417	6,671
South Africa Republic	1,637	2,211	2,210	2,228
Asia	12,781	20,465	19,935	18,716
China, People's Republic	1,957	2,465	2,680	2,575
India	4,113	8,217	7,343	6,524
Japan	485	630	693	697
Philippines	1,951	2,397	2,347	2,383
Oceania	2,813	3,683	3,312	3,375
Australia	2,467	3,322	2,965	2,975
World Total	70,908	92,579	90,874	87,687

1/ Includes Hawaii and Puerto Rico
2/ Estimated.
3/ Forecast.

Source: Foreign Agricultural Service

Table 23--World coffee production and exportable production

Country and region	Production						Exportable production 1/					
	Average 1970/71-1974/75	1975/76	1976/77	1977/78	1978/79	Estimated 1979/80	Average 1970/71-1974/75	1975/76	1976/77	1977/78	1978/79	Estimated 1979/80
	1,000 bags (60-kg each)											
North and South America	45,225	48,318	36,177	46,326	51,427	54,142	31,235	34,297	23,027	32,455	37,157	39,129
Mexico	3,629	3,856	3,650	3,600	3,800	3,900	2,045	2,456	2,400	2,200	2,641	2,675
Guatemala	2,187	2,043	2,613	2,350	2,710	2,800	1,924	1,753	2,315	2,045	2,400	2,485
El Salvador	2,549	2,530	2,968	2,400	3,028	2,700	2,382	2,350	2,783	2,210	2,833	2,500
Brazil	20,380	23,000	9,300	17,500	20,000	22,500	12,563	15,000	1,800	10,000	12,000	14,000
Colombia	8,120	8,500	9,300	11,050	11,868	12,000	6,716	7,100	7,900	9,500	10,268	10,350
Africa	21,093	18,608	19,675	16,858	17,849	19,001	18,724	16,206	16,351	14,109	15,276	16,504
Angola	3,528	1,180	1,112	1,121	613	700	3,434	1,100	248	846	533	620
Ethiopia	2,427	2,677	2,882	3,024	3,200	3,200	1,137	1,011	1,049	1,135	1,300	1,400
Ivory Coast	4,280	5,266	4,867	3,320	4,667	4,835	3,754	5,107	4,782	3,284	4,625	4,785
Uganda	3,265	2,214	2,664	1,868	1,945	2,200	3,243	2,192	2,634	1,838	1,915	2,170
Asia and Oceania	5,344	6,081	6,207	6,958	8,215	8,628	3,082	3,805	4,073	5,007	6,030	6,318
India	1,589	1,498	1,813	2,180	1,856	2,228	882	749	963	1,276	1,098	1,303
Indonesia	2,425	3,049	2,824	3,241	4,652	4,750	1,488	2,033	2,010	2,722	3,865	3,950
World	71,663	73,008	62,059	70,142	77,491	81,771	53,041	54,307	43,452	51,571	58,463	61,951

1/ Total harvested production less estimated domestic consumption.

Source: Foreign Agricultural Service.

Table 24.--Grain supply and utilization, Western Europe, 1979/80 1/

Region/Commodity	Area	Yield	Production	Beginning stocks	Marketing year		Domestic Utilization		Ending stocks
					Imports	Exports	Feed	Total	
	Mil. ha.	Tons	Million tons						
European Community: 2/									
Total Grains	26.7	4.21	112.5	15.0	32.9	26.4	71.7	119.9	14.3
Wheat	10.8	4.15	44.9	9.0	10.1	13.9	12.4	41.6	8.6
Coarse grains	15.9	4.25	67.6	6.0	22.8	12.5	59.3	78.3	5.7
Corn	3.1	5.69	17.8	2.9	16.6	5.3	22.9	29.0	3.0
Barley	9.6	4.07	39.1	1.7	4.8	6.3	27.6	37.8	1.6
Other Western Europe: 3/									
Total Grains	14.0	2.33	32.7	11.4	11.2	1.7	29.4	43.8	9.9
Wheat	4.5	2.09	9.4	5.2	1.8	1.1	1.0	10.3	5.0
Coarse grains	9.5	2.45	23.3	6.2	9.4	0.6	28.4	33.5	4.9
Corn	1.1	4.09	4.5	1.5	7.8	---	11.4	12.5	1.3
Barley	5.8	2.27	13.2	3.0	0.6	0.4	12.5	14.3	2.1
Total Western Europe:									
Total Grains	40.7	3.56	145.2	26.4	44.1	28.1	101.1	163.7	24.2
Wheat	15.3	3.55	54.3	14.2	11.9	15.0	13.4	51.9	13.6
Coarse grains	25.4	3.57	90.9	12.2	32.2	13.1	87.7	111.8	10.6
Corn	4.2	5.30	22.3	4.4	24.4	5.3	34.3	41.5	4.4
Barley	15.4	3.39	52.3	4.7	5.4	6.7	40.1	52.1	3.7

1/ Regional totals and/or ending stocks may not add due to rounding.
2/ Marketing year beginning August 1979.
3/ Marketing year beginning July 1979.

Source: Foreign Agriculture Circular - Grains, FG-19-79, December 14, 1979.

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